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# Strategic Planning Guidelines for Community Economic Development

Prepared by the

Task Force on Investment in Ontario

of the

Premier's Council on Economic Renewal

September, 1993

Premier's Council on Economic Renewal









## Preface

The Premier's Council Task Force on Investment in Ontario is interested in better understanding the ability of communities to develop an effective role in retaining and attracting investment. Assuming that the concentration of activity and resources occurs at the community level, then communities should have well developed strategies for investment retention and attraction. To better understand the capacity of communities to carry out strategic planning, the Council's Task Force on Investment in Ontario retained Gerald Pisarzowski Associates to undertake an assignment with three main objectives. First, prepare criteria that will facilitate an analysis of these plans. Second, evaluate the plans according to the criteria and synthesize the results. Third, develop guidelines to assist communities in preparing strategic plans in the future.

In carrying out this assignment, Gerald Pisarzowski and Sandy el Baroudi undertook a comprehensive examination of 79 community and economic development strategic plans and seven strategic planning guidelines. To augment their findings, interviews were held with key officials involved in strategic planning at the community level. This research culminated in the development of a new set of guidelines designed to strengthen the strategic planning process in communities.

Some readers may find the following road map useful in dealing with this document. Chapter One introduces the role of strategic planning as a process to achieve community betterment within the context of investment retention and attraction. Chapter Two addresses strategic planning in greater detail on the basis that a more precise definition will enhance its effectiveness as a capacity-building tool. Considerable attention, therefore, is paid to identifying the elements of strategic planning and defining the meaning of terms such as vision, mission statement, goals, objectives, strategies, activities and monitoring.

Chapter Three examines a number of strategic planning guidelines used to prepare the strategic plans submitted by communities to the Premier's Council. Chapter Four introduces new guidelines for community strategic planning. Each of the five major components is addressed in detail in separate sub-sections of this chapter. Community participation is seen as playing a key role in all phases of the strategic planning process. Chapter Five offers conclusions and recommendations. The Appendix summarizes the analysis of the 79 strategic plans. Those references found to be most useful in preparing this document are included, for those wishing to research the topic of strategic planning on their own.

In carrying out this assignment a number of individuals agreed to meet with the consultants to answer questions, clarify issues and provide a perspective on economic development and strategic planning at the community level. The

consultants would like to thank the following individuals for giving generously of their time: Joan Alfrey, David Cash, Larry Clay, Bob Cloes, Don Eastwood, Manfred Fast, Peter Friedman, Steve Harlow, Dainora Juozapavicius, Frankie Liberty, Joe McReynolds, Joanne Meddaoui, Tania Melnyk, Lynda Newman, Keith Pinder, Doug Raven, Steve Sharpe, Pierre Tessier, and Linda Zeisner.

The consultants presented their findings to members of the Task Force on Investment in Ontario and gratefully acknowledge their contribution to this assignment. The encouragement that John Mitsopulos, Research Coordinator for the Premier's Council on Economic Renewal, provided the consultants merits special praise and thanks. His commitment to improving the process of community strategic planning combined with his support made an invaluable contribution to the assignment.

In the end, however, the Task Force on Investment in Ontario takes ultimate responsibility for the quality of the research and for the views expressed in this document.

*For further information on this report, please contact:*

*John Mitsopulos, Coordinator  
Premier's Council on Economic Renewal  
Telephone: (416) 325-4576*





## Association of Municipalities of Ontario

July 29, 1993

Mr. John Mitsopulos  
Co-ordinator  
Research and Policy  
Premier's Council on Economic Renewal  
1 Dundas Street West, 25th Floor  
Toronto, Ontario  
M7A 1Y7

Dear Mr. Mitsopulos:

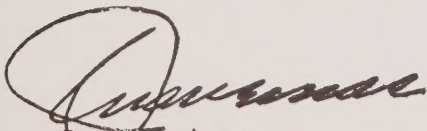
Thank you for giving the Association of Municipalities of Ontario (AMO) the opportunity to review the draft strategic planning guidelines which were developed for the Premier's Council on Economic Renewal.

In response to your request for AMO's endorsement of the guidelines, I am pleased to inform you that, at its meeting of July 29, 1993, the AMO Executive Committee endorsed your strategic planning guidelines. AMO believes that the guidelines can be used by municipalities for strategic planning purposes.

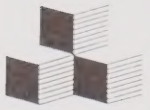
Regarding the report which recommended that the Premier's Council examine the application of the guidelines in a text case exercise, should the Council proceed with that recommendation, AMO would be pleased to offer some suggestions on which municipality could participate.

AMO will continue to offer its assistance and cooperation to you on this and the other projects being undertaken by the Council's Task Force on Investment which aim to find ways to attract and retain investment in Ontario's municipalities.

Yours truly,



Joe Mavrinac  
President



# EDCO

ECONOMIC DEVELOPERS COUNCIL OF ONTARIO INC.

September 21, 1993

The Premiers Council's  
25th Floor  
1 Dundas Street West  
Toronto, Ontario M7A 1Y7

Attention: Mr. John Mitsopulos, M.A., M.B.A.

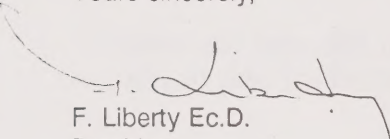
Dear Mr. Mitsopulos:

The Board of Directors of the Economic Developers Council of Ontario have reviewed the Strategic Planning for Communities document prepared for the Investment Task Force of the Premier's Council on Economic Renewal.

At the September meeting of E.D.C.O., we unanimously endorsed the guidelines. We would like to extend our congratulations to the Task Force for initiating an extensive review of Strategic Planning for Communities. The recommended guidelines will assist communities in their efforts to attract and retain investment.

Thank you for giving us an opportunity to respond and endorse the document and we look forward to working with you and the Premier's Councils in the future.

Yours sincerely,



F. Liberty Ec.D.  
President

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## Introduction

Strategic planning for communities is set within the broad context of investment retention and attraction. Communities are in constant competition for investment dollars related to retention and attraction. Developing a strategic plan helps communities improve their ability to retain and attract investment. While many factors contribute to reducing the attractiveness of the Province for investment, the best response is a broad-based community strategic planning effort.

To prepare the necessary foundation, the provincial government has introduced a comprehensive program in support of community development. As communities are engaging in activities to encourage investment retention and attraction (economic development), economic development is acquiring a broader interpretation.

The ability of communities to develop an effective role in investment attraction and retention is of particular interest to the Task Force on Investment in Ontario. To gain these insights, the Task Force proposed an assignment with three objectives which was carried out in four phases.

**Communities are in constant competition for investment dollars related to retention and attraction.**

This competition occurs each time:

- a family decides to move in or out
- an employer decides to start-up, downsize, expand or relocate
- a government department decides to relocate
- a tourist decides where to spend a week
- a customer decides where to shop
- A community's relative advantages are weighed in the decision.
- Even politics can play a role in nurturing competition.
  - for example, when provinces or communities compete for attention and investment from the private sector or upper tier governments
- These locational advantages and disadvantages are constantly changing as international, national, regional and local conditions change.



Developing a strategic plan helps communities improve their ability to retain and attract investment.

- Most citizens would like to live in good quality communities.
  - for example, ones that offer high personal incomes, an abundance of quality job opportunities, excellent schools, adequate infrastructure, moderate-cost, quality housing, good recreational and cultural programs, a clean healthy environment and low crime rates
- Many communities, however, are confronting two major realities.
  - the world is changing rapidly
  - limited resources require careful choices
- No community can be expected to achieve success in all areas.
  - financial, skill and time constraints require that priorities be assigned to the various elements of its economic development program
- Formulating a strategic plan or course of action engages the community in a process that guides the allocation of these limited resources.
  - the intent is to capture and retain a fair share of investment, thereby supporting community betterment



While many factors contribute to reducing the attractiveness of the Province for investment...

<b>Factors Contributing to Reduced Investment</b>	<b><i>Strategic Community-Level Responses</i></b>
Ontario's success in attracting investment in the 1980s is not predictive of its ability to do the same in the 1990s	<i>Reconsider the approach to investment retention and attraction.</i>
Unless Ontario changes course, even the government's latest investment forecasts may prove to be optimistic.	<i>Identify a more effective and proactive economic development program.</i>
Changing patterns of investment by global corporations suggest that Canada and Ontario will be less likely to be a preferred location for investment in North America.	<i>Identify the key factors of comparative advantage in a globally competitive environment.</i>
As the consolidation process in North America continues there are risks of substantial losses of productive capacity and related jobs.	<i>Focus on reducing the footloose nature of investment.</i>
In the competition for North American investment, U.S. states and some Canadian provinces are further advanced in their promotion and retention activities when compared with Ontario.	<i>Develop a promotion and retention program that is specific to the needs of the community or play a role in a more broadly-based program developed by the Province.</i>
Ontario is not well positioned at present to compete with some states and provinces in terms of promotion and retention.	<i>Identify the competition and develop an aggressive, broad-based marketing effort.</i>  <i>Provide infrastructure and support to existing organizations within the community.</i>

Source: The factors contributing to reduced investment are based on the work of the Task Force on Investment in Ontario of the Premier's Council on Economic Renewal.  
The strategic community-level responses are based on the work of Gerald Pisarzowski Associates.



...the best response is a broad-based community strategic planning effort.

Factors Contributing to Reduced Investment	<i>Strategic Community-Level Responses</i>
Proposals for improvement are moving through the system. However, as a product of the system, they do not go far enough in addressing the full extent of change that is required.	<i>Develop a more integrated strategy that embraces a broader notion of economic development.</i>
The attitudes of businesses suggest a growing concern about Ontario as a good place to invest for the future.	<i>Facilitate investment decisions by promoting a hard look at the competition.</i>
The business community will respond only if the Province's strengths are actively exploited and the weaknesses addressed.	<i>Develop an in-depth understanding of the current economic situation and achieve a broad consensus around the key issues.</i>
Ontario's processes for obtaining regulatory approvals both at the provincial and municipal level are too long, complex, uncertain and the opposite of "customer-oriented".	<i>Adopt a more integrated notion of economic development that involves all the key community stakeholders.</i>
Recent cost trends have reduced or eliminated any factor cost advantages enjoyed by businesses located in Ontario.	<i>Adopt fiscal responsibility as a key goal.</i>

Source: The factors contributing to reduced investment are based on the work of the Task Force on Investment in Ontario of the Premier's Council on Economic Renewal.  
The strategic community-level responses are based on the work of Gerald Pisarzowski Associates.

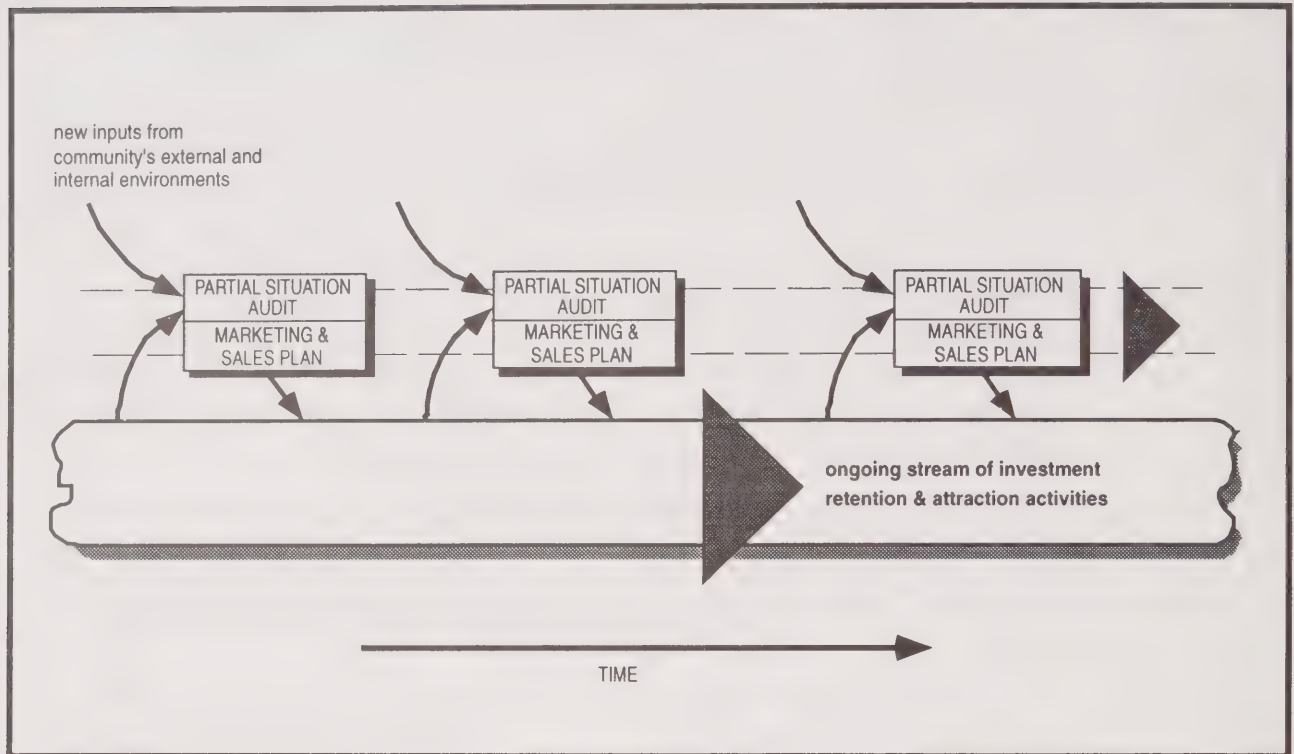


To prepare the necessary foundation, the provincial government has introduced a comprehensive program in support of community development.

- Through *jobsOntario Community Action* (JOCA) the Province has committed \$300 million in the first three years of the program.
  - this represents a consolidation of 22 programs delivered by seven different ministries
- The intent is to provide local communities with the resources and tools they need to undertake economic renewal initiatives.
  - financial assistance to develop leadership and planning capability, permitting a more direct role in economic development
  - loan guarantees to assist the development of local sources of financing for community-based enterprise
  - funding for capital infrastructure projects that support community economic development
- These initiatives promote local strategic planning as a capacity-building tool.
  - to create stronger, more self-reliant communities
  - to put emphasis on promoting more "home grown" economic opportunities
  - to support economic development in communities not traditionally served by the Province



As communities are engaging in activities to encourage investment retention and attraction (economic development)...



... economic development is acquiring a broader interpretation.

- While economic growth can be viewed as a process of simple increase, economic development is a process of structural change — something different if not something more.
- Volunteer, barter and mutual aid activity are now recognized alongside market-based transactions.
- The biophysical environment is not only considered as a source of input (raw materials) but also as a recipient of outputs (products and waste).
- Sociological, ecological and economic parameters are being combined in making investment decisions.
  - factors such as quality of life, health and social services, community safety and environmental security are taken into account in the decision-making



- A broad-based consultative process, however, is required to better link business and economic activities with the pursuit of social and environmental goals.
  - for example, improving education and skill levels, raising income levels or reducing the effluent from processing plants

**The ability of communities to develop an effective role in investment attraction and retention is of particular interest to the Task Force on Investment in Ontario.**

- They have assumed that the greatest amount of activity in this area in terms of people and resources occurs at the community level.
- There is, however, a need to ensure that communities are on a level playing field in terms of their ability to develop strategies for investment retention and attraction.
- By examining community strategic plans it is expected that insights can be gained regarding the level of strategic planning across Ontario.

**To gain these insights, the Task Force proposed an assignment with three objectives...**

1. Prepare criteria to facilitate an analysis of community economic development strategic plans.
  - the Premier's Council received 79 documents from across Ontario
2. Evaluate the plans according to the criteria and synthesize the results.
  - details regarding the analysis and the results are in the Appendix
3. Develop guidelines to assist communities in preparing strategic plans in the future.

**... which was carried out in four phases.**

1. Developing the analytical framework.
  - based on experience and research of the strategic planning literature, guidelines were prepared to evaluate the community strategic plans

## 2. Preparing the case studies.

- four selected documents were evaluated in detail, permitting a rigorous application of the guidelines
- this provided a key for analyzing the remaining strategic plan documents

## 3. Analyzing the strategic plan documents.

- the criteria were refined and applied to all of the remaining documents considered to be strategic plans, as well as seven strategic planning guides

## 4. Carrying out the field investigations.

- meetings were held with those responsible for preparing the plans that were evaluated in detail
- this provided an opportunity to confirm the findings and gain some insights regarding the planning process and the makeup of the documents



## **2.0 Defining the Strategic Plan**

Strategic planning requires a precise definition to be an effective capacity-building tool. Strategic planning helps communities make decisions regarding social and economic development. To be effective a strategic plan should contain six distinct elements. Strategic planning develops these elements in an orderly process.

A comprehensive Community Participation effort is the foundation for an effective strategic plan. Preparing a Plan for Planning mobilizes the community for strategic planning. Formulating the strategic plan involves producing the Situation Audit, Game Plan and Action Plan in sequence. While the Situation Audit requires thorough research and meticulous analysis, preparing the Game Plan requires entrepreneurial thinking. The Action Plan describes the nature, scope and timing of the activities designed to implement the strategies. The Monitoring Program recognizes that communities must be prepared to adjust to changing circumstances.

Since economic development departments already deliver a broad range of services related to the marketing of a community, preparing a successful strategic plan will require a serious commitment of other resources and teamwork.

By paying attention to certain key elements, preparing and implementing a strategic plan can be a rewarding experience for a community... however, it is a demanding task that should not be undertaken lightly.

**Strategic planning helps communities make decisions regarding social and economic development.**

- It provides a process for making the best possible choices from an array of options within the ever-pressed constraints of limited resources.
- Various ministries at one time or another have promoted and supported strategic planning as a means of helping communities cope.
- Key linkages can be created by involving many individuals and levels of organization within a community.
  - a forum is created for bringing stakeholders together
  - consensus-building is utilized as a vehicle for assigning priorities
  - a basis is provided for choosing among conflicting options in the face of limited resources
  - an ongoing process is established to review, revise and refine

- Various analytical techniques are applied to identify the key issues facing a community.
  - communities can design and implement actions, allowing them to face the future on their own terms
- The greatest benefit occurs when the community concludes that strategic planning is an ongoing process.
  - the monitoring and updating of the plan becomes a regular feature of a community's portfolio of development activities

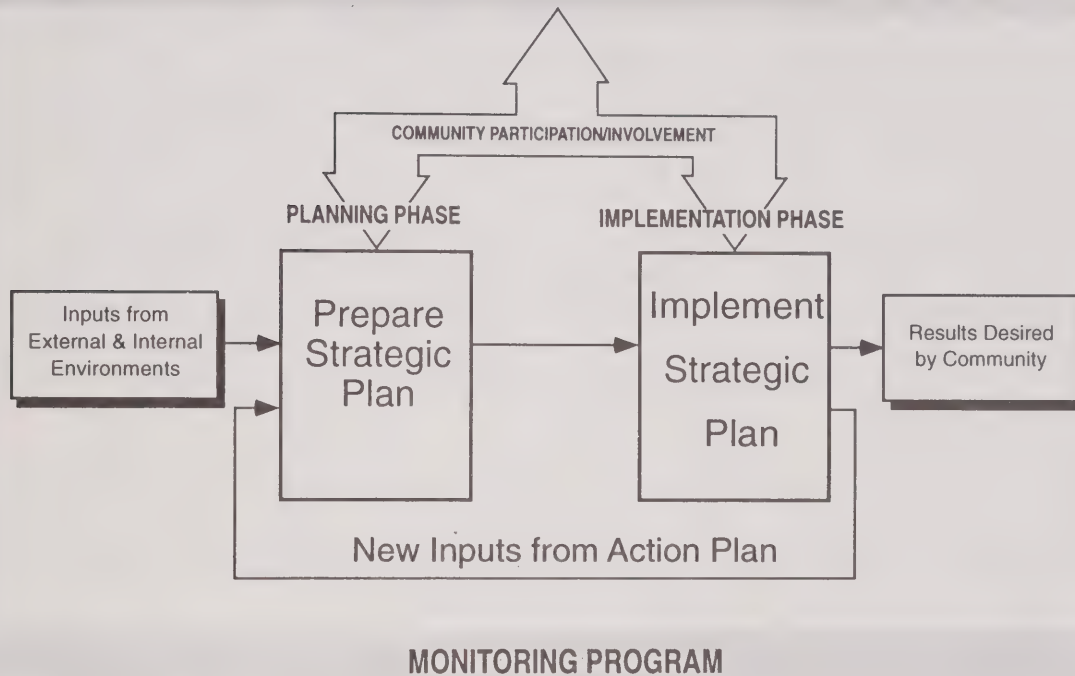
To be effective a strategic plan should contain six distinct elements.

COMMUNITY PARTICIPATION	PREPARE A PLAN FOR A PLANNING	SITUATION AUDIT	GAME PLAN	ACTION PLAN	MONITORING PROGRAM
<ul style="list-style-type: none"> <li>• Range of Involvement               <ul style="list-style-type: none"> <li>- Residents</li> <li>- Investors</li> <li>- Workers</li> <li>- Employers</li> <li>- Interest Groups</li> <li>- Local Associations</li> </ul> </li> <li>• Level of Involvement               <ul style="list-style-type: none"> <li>- Depth</li> <li>- Breadth</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Determine the scope</li> <li>• Assign responsibilities</li> <li>• Develop community participation/ involvement</li> <li>• Estimate the time and budget</li> <li>• Integrate other communities</li> <li>• Identify the quality and availability of data</li> <li>• Assess the need for additional resources</li> </ul>	<ul style="list-style-type: none"> <li>• Community Profile</li> <li>• Trends and Developments</li> <li>• Competitive Analysis</li> <li>• List of Issues</li> <li>• Categories of Issues (strengths, weaknesses, opportunities and threats)</li> <li>• Ranking of Issues</li> <li>• Vision of itself today</li> </ul>	<ul style="list-style-type: none"> <li>• Vision of itself and Mission in the future</li> <li>• Preferred Goal, Objective and Strategy Sets</li> <li>• Alternative Sets Considered</li> <li>• Alliances and Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Tasks and Activities</li> <li>• Schedule of Activities</li> <li>• Roles and Responsibilities</li> <li>• Staffing</li> <li>• Budget Estimates and Funding</li> <li>• Projected Cost-Benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring the Strategic Plan Parts Individually during the Implementation Phase               <ul style="list-style-type: none"> <li>- Situation Audit</li> <li>- Game Plan</li> <li>- Action Plan</li> </ul> </li> <li>• Monitoring the Strategic Plan Parts as an Integrated Whole</li> <li>• Consequences of Monitoring the Strategic Plan during the Implementation Phase               <ul style="list-style-type: none"> <li>- Stay the course</li> <li>- Fine tune the Strategic Plan</li> <li>- Make major changes to the plan</li> <li>- Redo the Strategic Plan</li> </ul> </li> </ul>



Strategic planning develops these elements in an orderly process.

## PLANNING & IMPLEMENTING THE STRATEGIC PLAN



A comprehensive Community Participation effort is the foundation for an effective strategic plan.

- Community participation begins with "preparing a plan for planning", continues throughout the process and becomes an integral element of the monitoring program.
- Community participation must be broad-based and proactive.
  - depending on the local situation, the community may initiate and drive the planning process
  - key opinion leaders within the community must be engaged in the process
  - the views of individuals, as well as groups not part of traditional or mainstream community institutions, must be sought out and considered in the process

- Every citizen, group, association and local government department has an essential contribution to make in achieving community betterment.
  - a key objective of community participation is to maximize the use of available resources and assemble a dedicated team
- The economic development department alone cannot create sustained competitive advantage at the strategic level.
  - it can only offer what the community can or is willing to provide or create

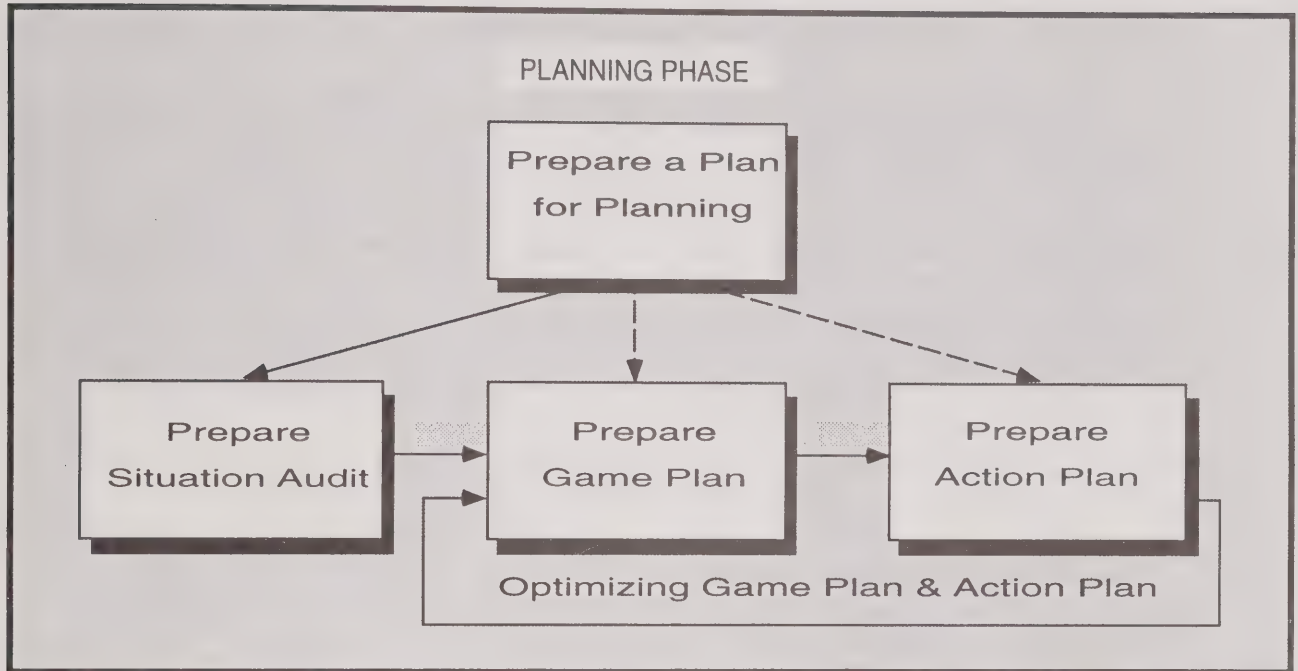
**Preparing a Plan for Planning mobilizes the community for strategic planning.**

- Determines the geographic, social and economic scope of the strategic plan.
- Assesses the availability and quality of the data required to prepare the Situation Audit.
- Estimates the time and fiscal resources required to develop the strategic plan.
- Considers ways of maximizing the involvement of people within the community.
- Examines the potential of integrating other communities and planning initiatives into the process.
- Develops and begins community involvement, participation and education.
- Assembles a dedicated team and clearly defines the roles and responsibilities of the participants.



Formulating the strategic plan involves producing the Situation Audit, Game Plan and Action Plan in sequence.

### STRATEGIC PLAN PREPARATION



While the Situation Audit requires thorough research and meticulous analysis...

- The quality and hence usefulness of the situation audit is directly proportional to the thoroughness of the research and the soundness of the analysis.
- The research and analysis focuses on the completion of eight key tasks.
  - analyze data describing the existing economic, social and environmental circumstances
  - identify the gaps in knowledge and information
  - examine the impact of local to global trends
  - analyze and rank key economic, social and environmental issues
  - classify issues as strengths, weaknesses, opportunities and threats (SWOT)
  - rank the issues as to their importance
  - develop comparisons with other competing communities
  - engage in broad public consultations
  - build consensus around key strategic issues

- By combining data analysis with the consideration of key internal and external factors the community develops a thorough understanding of its current situation.
- The key objective is for the community to develop a vision of itself today that is based on a realistic understanding of its situation.
  - this sets the stage for what it wants to be in the future

... preparing the Game Plan requires entrepreneurial thinking.

- Preparing the game plan begins by articulating the community's vision of itself in the future and then translating it into a mission statement, reflecting its hopes and aspirations.
  - goals and objectives address the community's most important issues, which were prioritized in the Situation Audit
  - strategies are conceptual descriptions of how goals and objectives will be realized
  - since resources are limited, the Game Plan must be mindful of time, money and people constraints
  - the process must consider alternative goal/objective/strategy sets and discuss the basis for their rejection
  - the key is to ensure consistency among the elements of the game plan: vision, mission statement, and goal, objective and strategy sets
- A strategy is a concept to take advantage of an opportunity by building on a strength or exploiting a comparative advantage.
- An effective game plan will give priority to those elements in the economic base that exhibit strength.
  - mechanisms to overcome weaknesses can be developed to enhance competitiveness and lay the groundwork for pursuing new kinds of opportunities
- Central to strategic planning is the notion of competition for both external and internal investment.
  - communities compete by offering superior products or services to their residents, businesses, visitors and workers
  - even within a community, there is constant competition for the allocation of resources for example, parks vs. roads vs. social services vs. public transportation



- this may lead to the formation of strategic alliances amongst communities that share common interests and goals or greater integration of economic development efforts

The **Action Plan** describes the nature, scope and timing of the activities designed to implement strategies.

- It addresses how the plan will be realized in practice, in more detail.
  - deals with organizational procedures and methods of carrying out the plan
  - identifies the amount of resources, both time, people and money (investment), necessary to carry out the activities
- The community's investment is the sum total of the community's expenditures today on capital, research, training and development and marketing and sales, to realize a better tomorrow.
  - traditionally, this investment has been considered to be the economic development department's annual budget
- The cost/benefit analysis is thus an integral element of the action plan.
  - demonstrates the benefits gained by the community in relation to its investment
  - focuses on the benefits that might accrue as a result of implementing the goal/objective/strategy sets
- It defines the management structure necessary to implement the plan.
  - identifies the staffing requirements for various activities
  - establishes the procedures and practices used to implement key components of the plan
  - assigns responsibilities and identifies accountabilities for implementing key components
- Even though the local government may not be driving the process, council and the chief administrator play a pivotal role in putting the plan into action.
  - build an organization capable of carrying out the plan
  - allocate sufficient resources
  - focus the energy of the community on the goals and objectives of the plan
  - monitor progress and keep the community on track
  - initiate actions to improve the implementation of the plan

The Monitoring Program recognizes that communities must be prepared to adjust to changing circumstances.

- Monitoring is based on the recognition that strategic planning is never completed.
  - as one cycle is finished the next one must be set in motion
- Strategy review is an iterative process involving data collection and analyses, a critical evaluation of assumptions and analyses and if need be, a reformulation of the strategy.
- An effective monitoring and strategy review program will provide answers to several key questions.
  - should priorities for allocating resources change within the framework of the current strategic plan?
  - if priorities are changed, how will this affect putting the plan into action?
  - have conditions changed to such an extent as to warrant a new Game Plan or Action Plan?
- Communities must monitor on an ongoing basis the validity of the assumptions which formed the foundation of their strategic plan.
  - the environment and the competition are constantly changing, even if the community remains relatively static
  - these external changes have the potential of being positive, but if not monitored could lead to lost opportunities

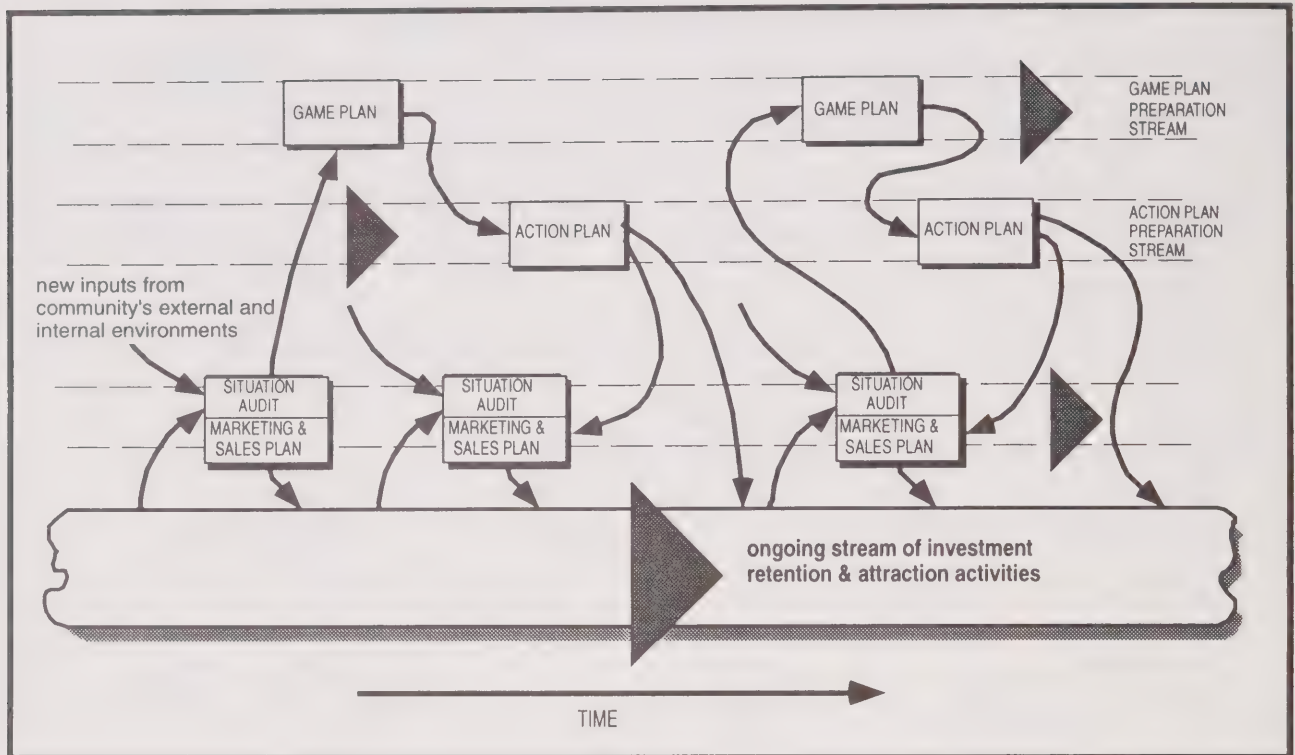


Since economic development departments already deliver a broad range of services related to the marketing of a community...

### Marketing and Sales of the Community

Traditional Activities		New Activities
Reactive	Proactive	Proactive
<p><b>External</b></p> <ul style="list-style-type: none"> <li>• Assistance to potential investors               <ul style="list-style-type: none"> <li>- individuals</li> <li>- business firms</li> <li>- non-local government</li> <li>- institutions</li> <li>- intermediaries</li> </ul> </li> <li>• Assistance to visitors               <ul style="list-style-type: none"> <li>- individuals</li> <li>- groups</li> <li>- tour coordinators</li> </ul> </li> <li>• Assistance to information seekers               <ul style="list-style-type: none"> <li>- individuals</li> <li>- government agencies</li> <li>- business firms</li> <li>- institutions</li> </ul> </li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>• Assistance to potential investors               <ul style="list-style-type: none"> <li>- start-ups</li> <li>- local firms wishing to expand</li> </ul> </li> <li>• Facilitating existing businesses               <ul style="list-style-type: none"> <li>- tax matters</li> <li>- regulation</li> <li>- labour issues</li> <li>- training</li> <li>- local government services</li> </ul> </li> </ul>	<p><b>External</b></p> <ul style="list-style-type: none"> <li>• Preparation of promotional literature               <ul style="list-style-type: none"> <li>- directories</li> <li>- brochures</li> <li>- displays</li> <li>- videos and articles</li> </ul> </li> <li>• Preparation of presentations               <ul style="list-style-type: none"> <li>- radio and T.V. shows</li> <li>- trade shows</li> <li>- newspapers</li> <li>- groups and associations</li> </ul> </li> <li>• Participating in:               <ul style="list-style-type: none"> <li>- conferences</li> <li>- business associations</li> <li>- professional associations</li> </ul> </li> <li>• Prospecting               <ul style="list-style-type: none"> <li>- research</li> <li>- planning</li> <li>- implementation</li> </ul> </li> </ul> <p><b>Internal</b></p> <ul style="list-style-type: none"> <li>• Maintenance of local data base               <ul style="list-style-type: none"> <li>- surveys</li> <li>- call programs</li> <li>- clippings</li> <li>- local business associations</li> </ul> </li> <li>• Networking               <ul style="list-style-type: none"> <li>- high, medium and low frequency</li> </ul> </li> <li>• Marketing and sales planning and budgeting</li> </ul>	<ul style="list-style-type: none"> <li>• Help local companies gain access to new markets               <ul style="list-style-type: none"> <li>- sister communities</li> <li>- alliances for exports</li> <li>- facilitation through local ethnic groups</li> </ul> </li> <li>• Help local companies stay in business               <ul style="list-style-type: none"> <li>- facilitate audit of operations</li> <li>- facilitate infusion of new equity or buy out</li> </ul> </li> <li>• Help local start-ups               <ul style="list-style-type: none"> <li>- facilitate training of entrepreneurs</li> <li>- facilitate financing</li> <li>- provide low cost work space and services</li> <li>- facilitate ongoing monitoring</li> </ul> </li> <li>• Through the strategic planning process make the community a more attractive place in which to live, work, visit and invest</li> </ul>

... preparing a successful strategic plan will require a serious commitment of other resources and teamwork.



By paying attention to certain key elements, preparing and implementing a strategic plan can be a rewarding experience for a community...

- Recognize that strategic planning has a preparation and an implementation phase, both equally important.
  - the planning phase deliverables are three distinct products developed in sequence
- Recognize the different skills required to prepare a strategic plan.
  - Situation Audit (research and analysis)
  - Game Plan (entrepreneurial abilities)
  - Action Plan and Implementation Strategy (administration, project management and marketing and sales)
  - Monitoring Program (administration, research, analysis and entrepreneurial abilities)



- Prepare a plan for doing a strategic plan.
  - consider ways of maximizing the use of available resources within the community
  - develop and begin initiating community involvement, participation and education
  - assemble a dedicated team
  - clearly define the roles and responsibilities of the participants
- Concentrate on improving the quality of the Situation Audit.
  - a thorough and sound Situation Audit is essential to developing a Game Plan
- The Game Plan and Action Plan, though separate, are closely linked.
  - focus on those most important issues where a difference can be made
  - get the right balance between the near, medium and long term
  - collaborate with like minded communities to get the best leverage of resources
- An Action Plan must demonstrate an incremental benefit, if not, don't implement.
  - implementing the Action Plan irretrievably commits the community's resources
- The Situation Audit must be regularly updated to test the relevance of the Game Plan and related Action Plan.
 

**... however, it is a demanding task that should not be undertaken lightly.**
- No community should initiate strategic planning unless the key players are seriously willing to put their shoulder to the wheel.
  - strategic planning must be a demonstrated priority, supported by adequate resources and careful pre-planning.





### **3.0 Review of Selected Guidelines.**

Existing guidelines reflect the underlying confusion around the meaning of strategic planning. A number of guidelines and perspectives have been developed on strategic planning for communities.

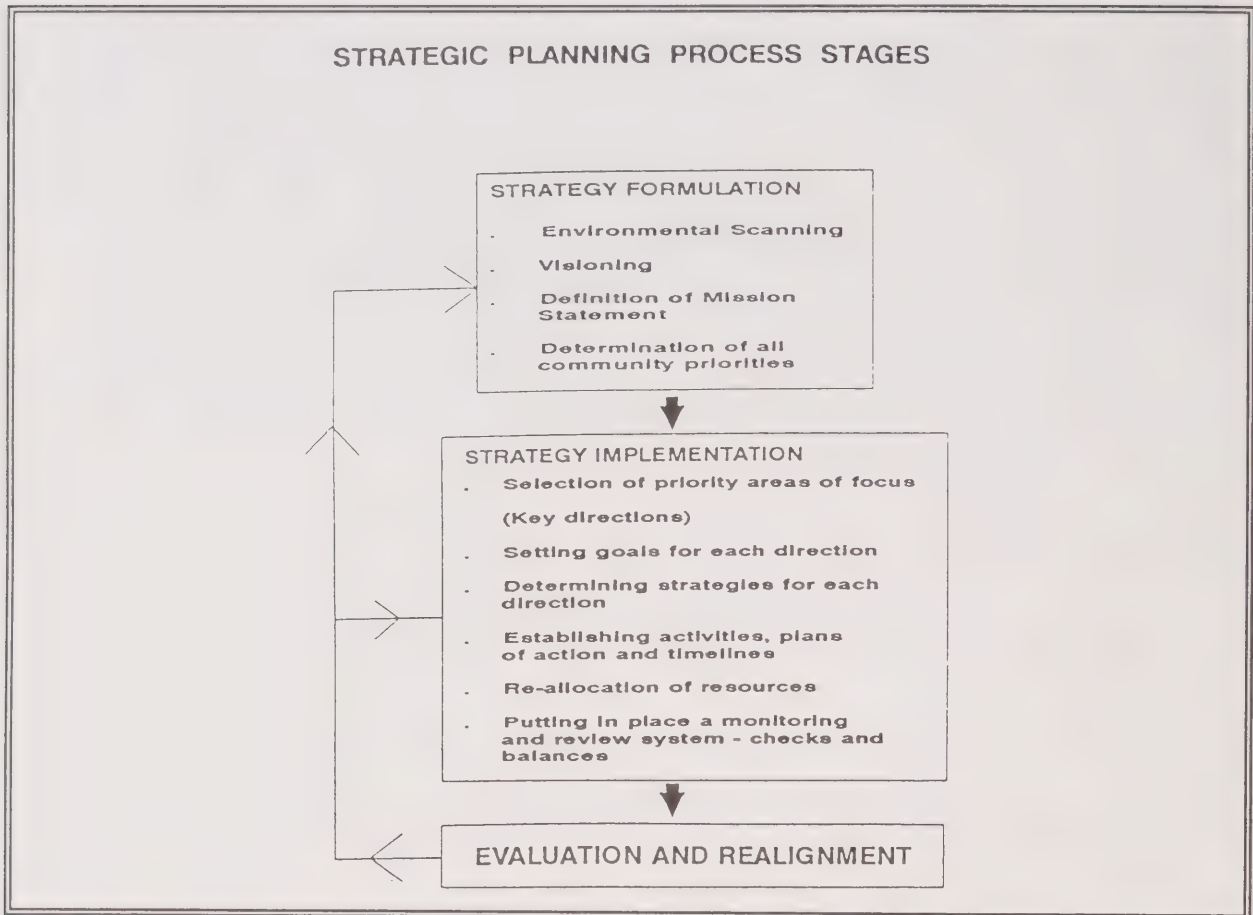
The Ministry of Municipal Affairs (MMA) recommends local strategic planning as an effective process to guide a community towards its vision of the future. The Sewell Commission separates the strategic plan from the municipal plan on the basis that the former is visionary. According to the Ontario Ministry of Agriculture and Food (OMAF), strategy is determining the basic objectives of an organization and allocating resources to their accomplishment. The Ministry of Economic Development and Trade (MEDT) defines strategic planning as a process of envisioning the future, developing procedures and operations to achieve that future. The Federation of Canadian Municipalities equates strategies to plans of action. In the University of Waterloo's concept of strategic planning, the action plan makes up the strategy. The American Economic Development Council (AEDC) discourages the use of quantitative, measurable objectives.

**A number of guidelines and perspectives have been developed on strategic planning for communities.**

- Approach to Local Strategic Planning, the Ministry of Municipal Affairs (MMA).
- Views on Strategic Planning at the Municipal Level, the Sewell Commission.
- Fact Sheet on Strategic Planning, the Ontario Ministry of Agriculture and Food (OMAF).
- Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario, the former Ministry of Industry, Trade and Technology, or MITT, now MEDT)
- "How to Prepare an Economic Development Strategy", The Federation of Canadian Municipalities.
- "Strategic Economic Planning and Local Development", the University of Waterloo.
- "Strategic Planning for Economic Development", the American Economic Development Council.

MMA recommends local strategic planning as an effective process to guide a community towards its vision of the future.

### Approach to Local Strategic Planning



Source: "Approach to Local Strategic Planning", Ministry of Municipal Affairs

- Yet, such terms as goal, strategy and the process of determining strategies for each direction are not defined.
- Some of the activities addressed in the implementation phase are part of strategy formulation, for example, selection of priority areas, setting goals and determining strategies.

The Sewell Commission separates the strategic plan from the municipal plan on the basis that the former is visionary.

### Views on Strategic Planning at the Municipal Level

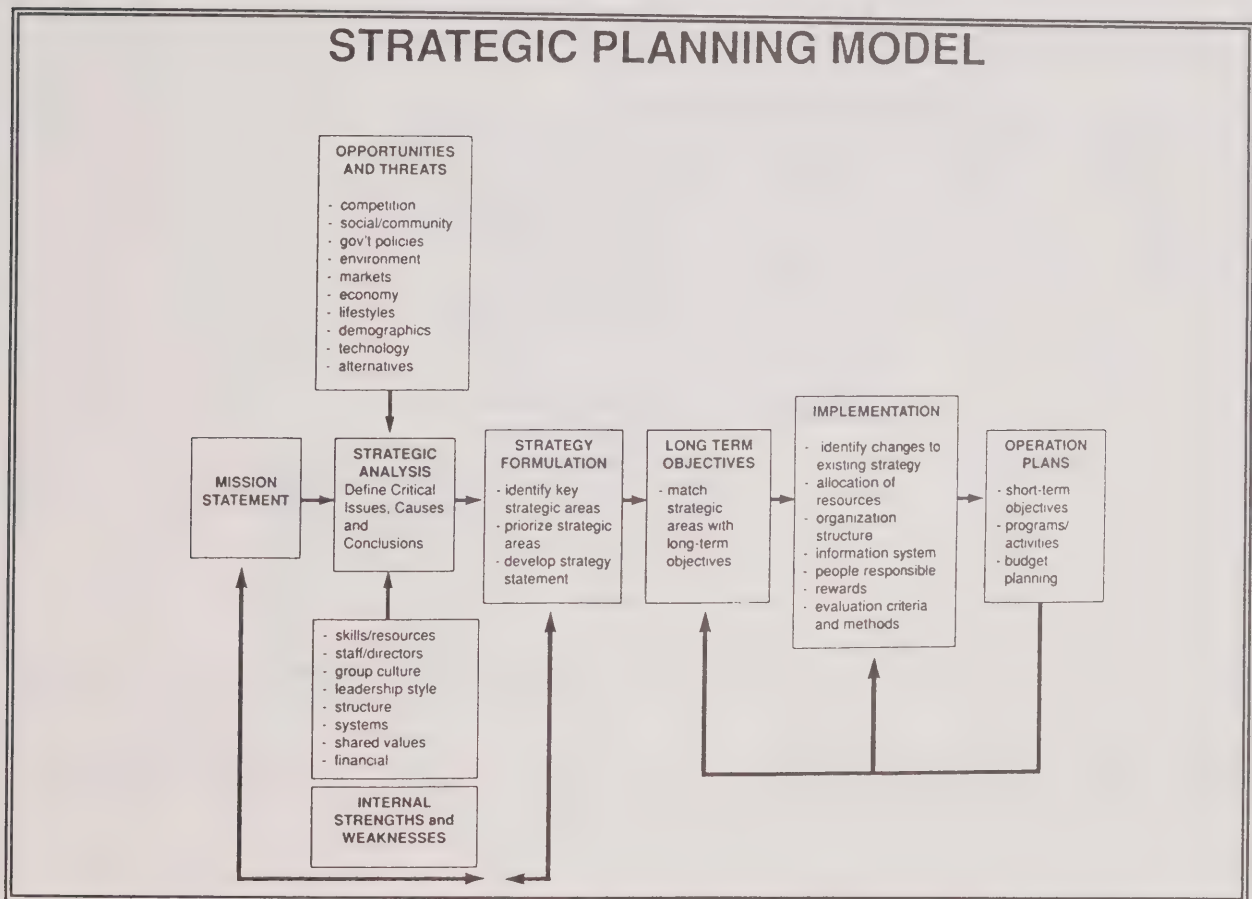
- Sees the strategic plan as a brief, general document with a broad scope.
  - this is not realistic if the document is to have all the elements of a plan



- Once common goals and objectives are identified, these set the stage for a course of action.
  - no mention of strategy
- Encourages other types of more specific strategic planning as separate from the community strategic plan.
  - for example, economic development and corporate strategic plans

According to OMAF, strategy is determining the basic objectives of an organization and allocating resources to their accomplishment.

### Fact Sheet on Strategic Planning

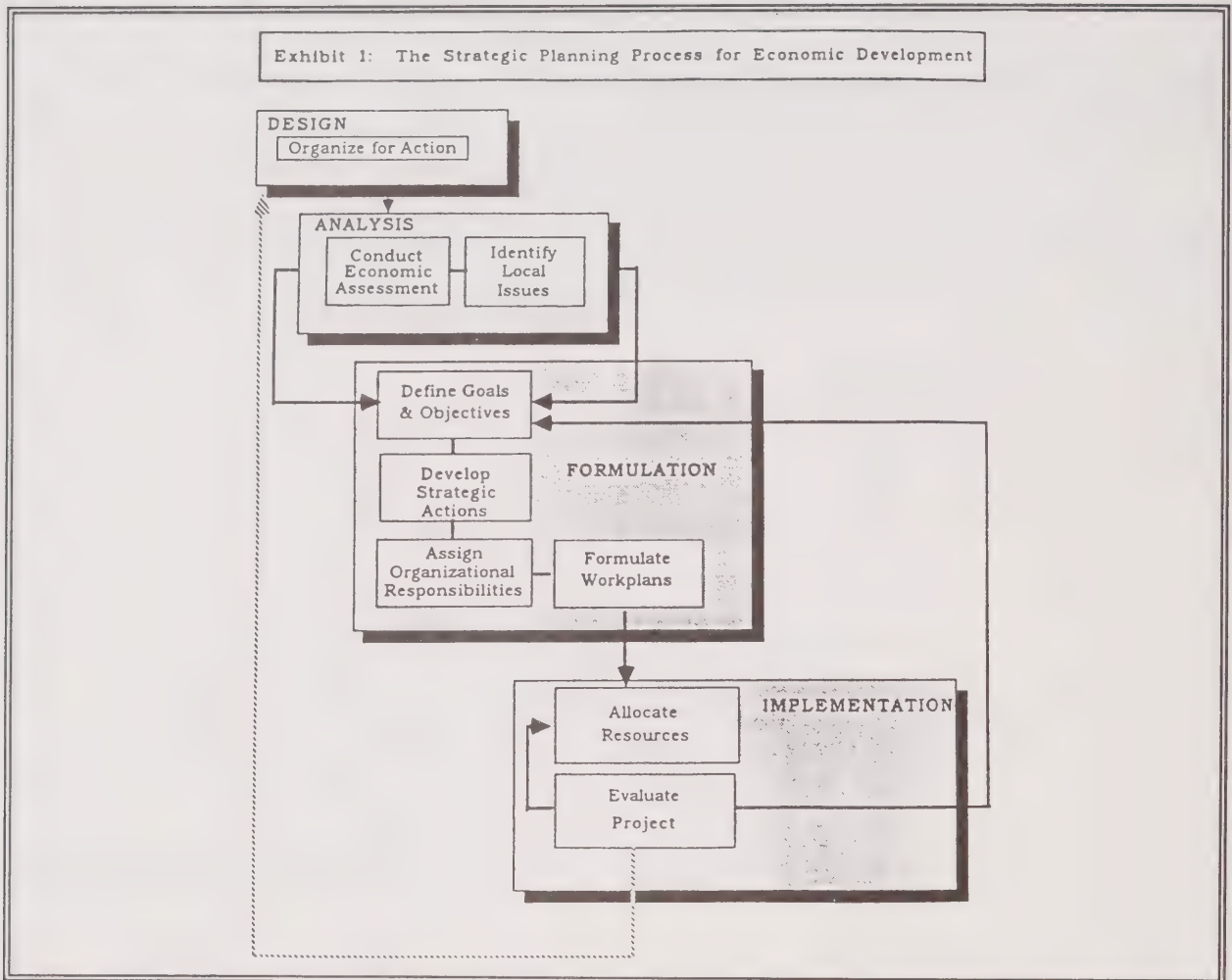


Source: "Fact Sheet on Strategic Planning", Ontario Ministry of Agriculture and Food

- Strategy formulation should focus on where the organization should be going rather than how it should get there.
- Strategy development in the accompanying diagram comes ahead of setting objectives
- Strategy formulation is more akin to fleshing out and prioritizing issues

MEDT defines strategic planning as a process of envisioning the future, developing procedures and operations to achieve that future.

### Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario

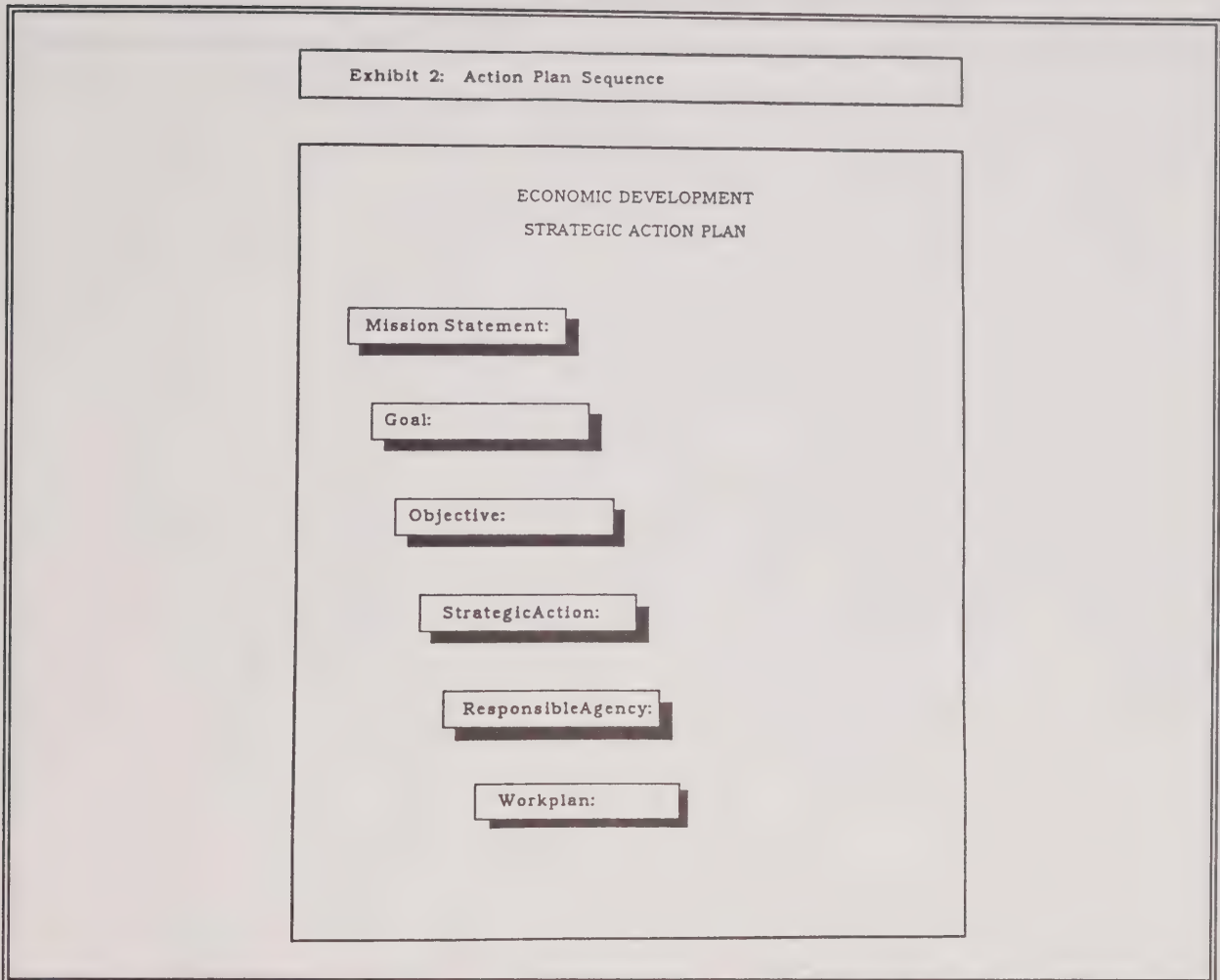


Source: "Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario", Ministry of Industry, Trade and Technology (MITT, now MEDT)

- The strategic planning framework omits residential, non-local government, cultural, institutional and non-cultural institutional sectors.
- Not explicit on budget for implementation phase nor cost/benefit to the community.
- Strategic action in Exhibit 1 appears to be equated to strategy in the text.
- Responsible agency and work plan in Exhibit 1 equated to action plans, organizational requirements and implementation schedule in text.



## Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario

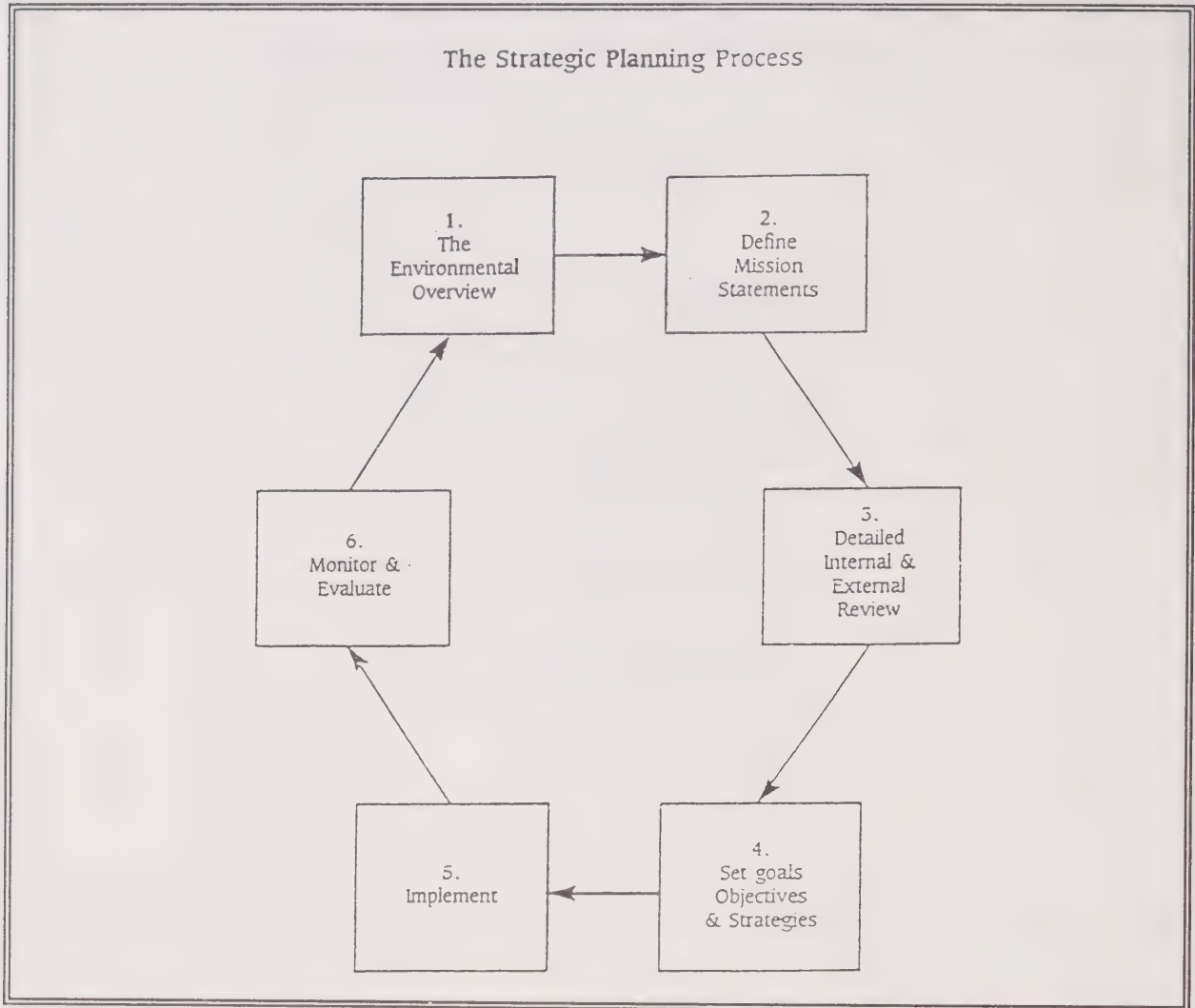


Source: "Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario", Ministry of Economic Development and Trade (MEDT)

- In the strategic planning procedures text, the term strategy is equated to strategic action to match terminology in Exhibit 2.
- Strategic planning procedures define the action plan as the tasks to be accomplished, staff requirements and implementation schedules, yet Exhibit 2 replaces the strategy and action plan of the text with strategic action, organizational responsibility and work plan.

The Federation of Canadian Municipalities equates strategies to plans of action...

### How to Prepare an Economic Development Strategy



Source: "How to Prepare an Economic Development Strategy", The Federation of Canadian Municipalities

... which clearly is not the case.

- While the diagram is reasonably correct, confusion occurs in the text, which equates strategies to plans of action.
- This confusion is partially reflected in the diagram, which lacks an action plan and implements the goals, objectives and strategies.

In the University of Waterloo's concept of strategic planning, the action plan makes up the strategy.

### Strategic Economic Planning and Local Development

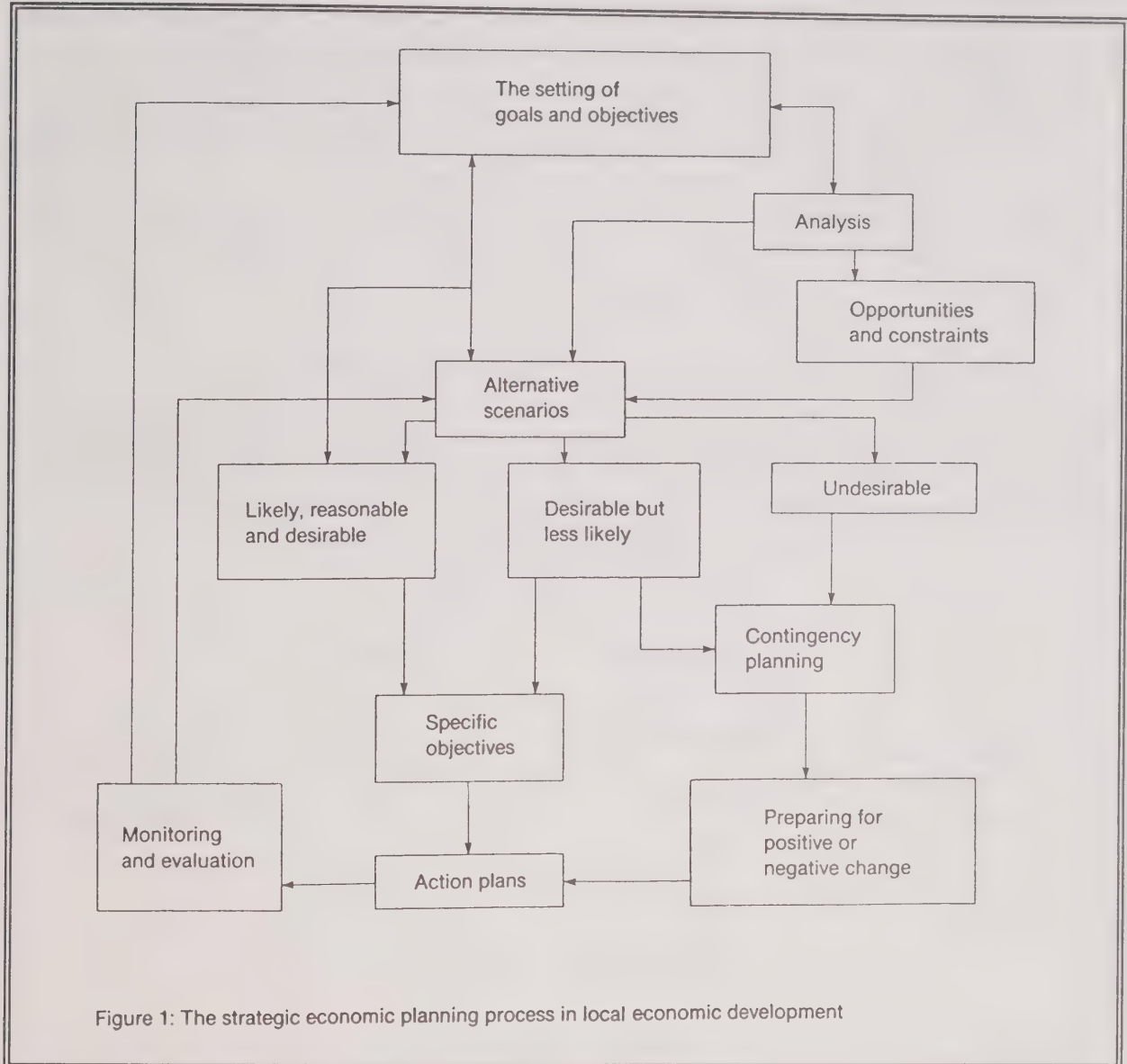


Figure 1: The strategic economic planning process in local economic development

Source: "Strategic Economic Planning and Local Development", the University of Waterloo.

- A strategy is defined as developing an action plan to a specific strategy or project.
- No distinction made between strategy and action plan.
- Strategy omitted from the conceptual diagram of strategic planning for economic development.



The American Economic Development Council (AEDC) discourages the use of quantitative, measurable objectives.

- The Exhibits in these guidelines are the same as those in MEDT's guidelines for Eastern Ontario.
- The text demonstrates a number of shortcomings regarding strategic planning.
  - strategy or strategic action usually consists of a project or activities to be undertaken to accomplish defined objectives
  - there is no distinction between strategy and action plan
- The text tends to be rather contradictory.
  - for example, it states that:

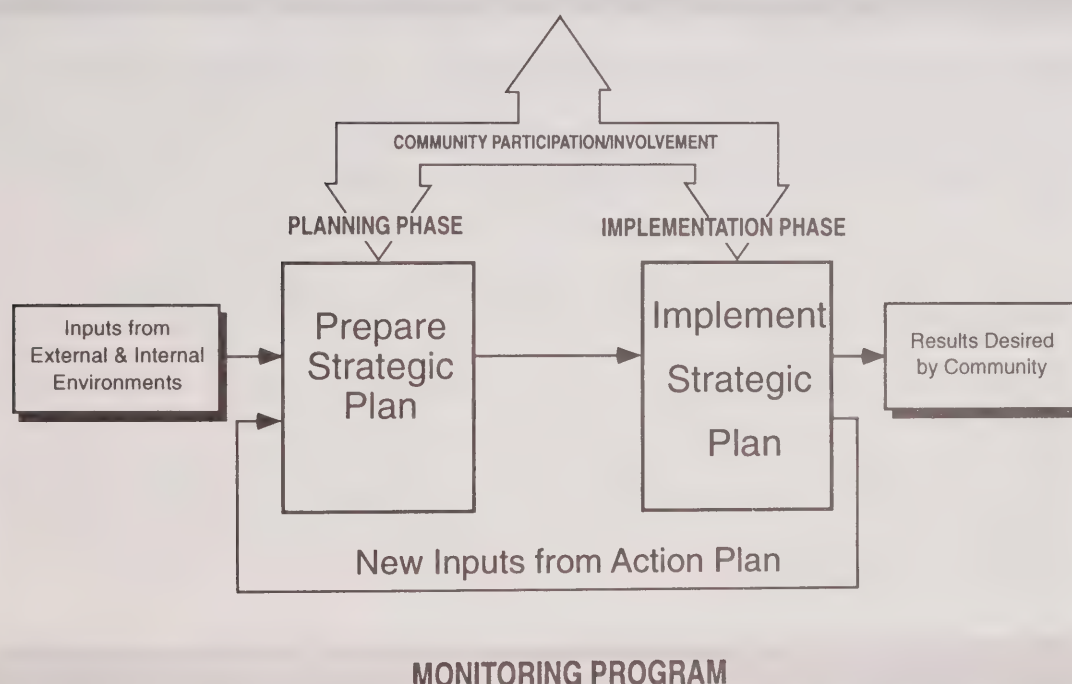
"while strategic thinking underlies the formulation of successful competitive strategies, strategic thinkers should base their efforts less on what competing communities have to offer and more on what would make their community more competitive"

#### 4.0 Guidelines for Preparing Community Strategic Plans

Developing a strategic plan represents a serious commitment of resources and should not be undertaken lightly. Strategic planning is a dynamic and iterative process, to achieve a community's vision of the future. The Situation Audit, Game Plan and Action Plan are separate though interrelated components, prepared in sequence. A strategic plan is comprised of six major components with one component, community participation, playing a key role in each. Developing the components and integrating them into a cohesive strategic plan requires that attention be paid to key details.

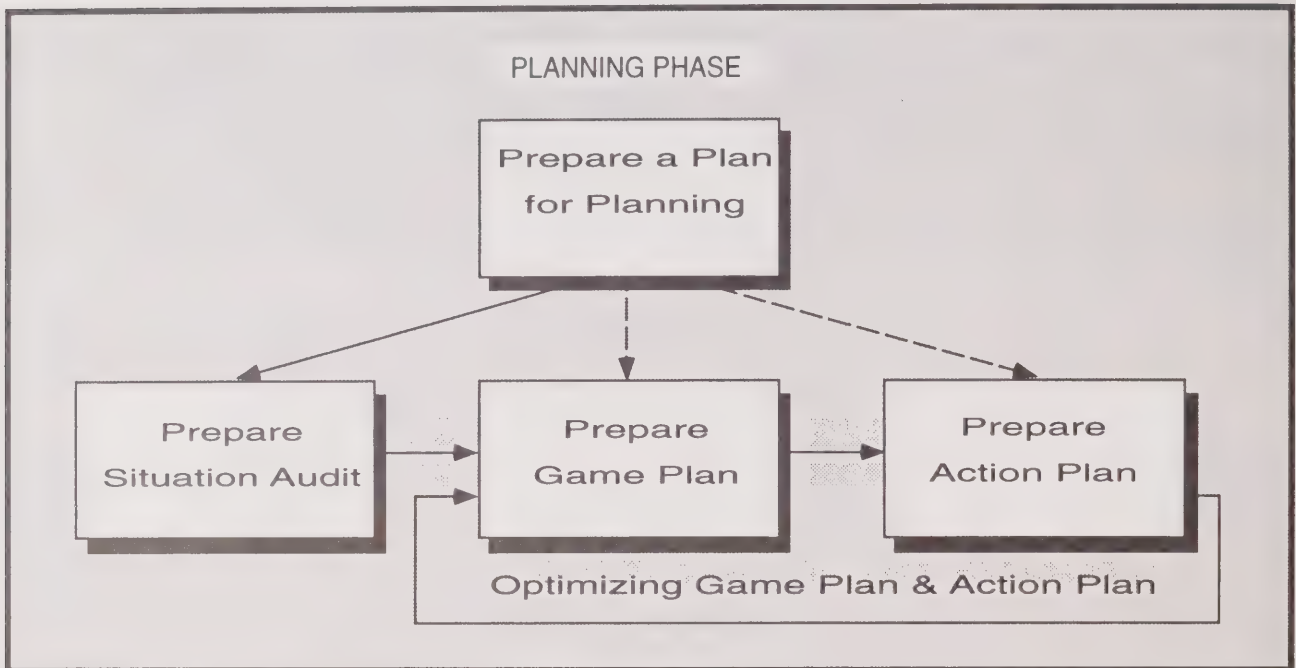
Strategic planning is a dynamic and iterative process, to achieve a community's vision of the future.

#### PLANNING & IMPLEMENTING THE STRATEGIC PLAN



The Situation Audit, Game Plan and Action Plan are separate though interrelated components, prepared in sequence.

### STRATEGIC PLAN PREPARATION



A strategic plan is comprised of six major components with one component, community participation, playing a key role in each.

1. **Prepare a Plan for Planning** mobilizes the community and its resources for an effective strategic planning effort.
2. The **Situation Audit** provides a thorough understanding of the community's resources and current situation while establishing a solid foundation for developing the Game Plan.
3. The **Game Plan** conceptually positions the community to enhance its well-being by successfully addressing those key issues raised in the Situation Audit.
4. The **Action Plan** describes how the activities necessary to realize the community's goals and objectives will be carried out and managed.
5. The **Monitoring Program** prepares the community to anticipate and deal with change.
6. Strategic planning at the community level means **Community Participation**.



Developing the components and integrating them into a cohesive strategic plan requires that attention be paid to key details.

Preparing a Plan for Planning mobilizes the community for an effective strategic planning effort.

- Mobilizing the community begins by addressing seven key issues.
- Assembling a dedicated team is one of the key objectives of this phase in the process.

The Situation Audit provides the community with a thorough understanding of its resources and current situation.

- The process begins by cataloguing the make-up of the community's economic, environmental and social base.
- The key is to develop a systematic and comprehensive understanding of economic, environmental and social activity.
- Competitiveness must be evaluated relative to other communities.
- Trend analysis involves four key steps.
- Both internal and external trends can have a significant influence on the community.
- Developing a vision of tomorrow depends on a thorough understanding of the present.

The Game Plan positions the community to enhance its well-being.

- The strategic direction or Game Plan selected by a community is defined by its vision, mission statement and portfolio of goal, objective and strategy sets.
- No community is impervious to what is happening in the world.
- The community's hopes and aspirations are the basis of its vision of tomorrow.
- The mission statement reflects the community's purpose.
- Goals specify the end points of a community's purpose.
- Goals are needed for all areas on which the success of the community depends.
- Objectives are the intermediate, quantitative performance targets.
- Strategies are coherent statements describing the concept of how a community will compete to attain its goals and objectives.
- Developing a preferred goal/objective/strategy set can involve a 12-step procedure.
- Setting the proper goals and objectives involves prejudging the potential success of the selected strategies.
- The fundamental role of strategy is to induce others to do what the community wishes.
- The difficult part of constructing a strategy is developing the concept.

Developing the components and integrating them into a cohesive strategic plan requires that attention be paid to key details... cont'd.

The Action Plan describes how the activities necessary to realize the community's goals and objectives will be carried out and managed.

- An action plan contains a description of the specific physical tasks and activities necessary to implement each strategy.
- Carrying out an action plan depends on the ability to motivate and work with others.
- All of the recommended activities must be within the means of the community... and each must contribute to the chosen quantitative objectives.
- The implementation of the Action Plan involves the community working together.
- There are five key aspects to implementing an Action Plan.

The Monitoring Program prepares the community to anticipate and deal with change.

- An effective monitoring program keeps the strategic plan relevant.
- The strategic plan review component of the monitoring program is a very demanding and time-consuming task.

Strategic planning at the community level means Community Participation.

- The community plays a key role in the development of all the elements of a strategic plan.
- The Community Participation Program must address both preparation and implementation of the strategic plan.

#### 4.1 Prepare a Plan for Planning

Preparing a Plan for Planning mobilizes the community for an effective strategic planning effort. Mobilizing the community begins by addressing seven key issues. Assembling a dedicated team is one of the key objectives of this phase in the process.

Mobilizing the community begins by addressing seven key issues.

- Determine the geographic and social/environmental/economic scope of the strategic plan.
  - assess the availability of data required to prepare the Situation Audit
- Assign responsibility for the preparation of the plan.

- Identify the level (breadth and depth) of community participation and involvement.
  - examine ways to maximize the involvement of the skills and interest of the community
  - develop and begin initiating community involvement, participation and education.
  - sensitize the community to think about the major issues that it must confront
  - begin the process of developing a vision of the community today and in the future
- Consider the role, responsibility and need for outside resources (consultants and provincial or federal government representatives).
- Examine mechanisms for integrating other communities into the strategic planning process.
- Estimate the timing and budget for preparing the strategic plan.
- Consider the integration of other planning initiatives into the strategic planning process.

**Assembling a dedicated team is one of the key objectives of this phase in the process.**

- Consider resources resident in local government departments, community-based associations, interest groups and volunteers.
  - assess ways of tapping into these skills and expertise
  - consider how these resources can be applied to the various tasks
  - identify skill and expertise gaps and consider how best they might be filled
- Ensure that the key decision-makers within the community are on board.
- Begin combining these resources into a strategic planning team.
  - link the various activities associated with preparing the Situation Audit, for example, to the team members.



## 4.2 Situation Audit

The **Situation Audit** provides the community with a thorough understanding of its resources and current situation. The process begins by cataloguing the make-up of the community's economic, environmental and social base. The key is to develop a systematic and comprehensive understanding of economic, environmental and social activity.

Competitiveness must be evaluated relative to other communities.

Trend analysis involves four key steps. Both internal and external trends can have a significant influence on the community. Developing a vision of tomorrow depends on a thorough understanding of the present.

**The process begins by cataloguing the make-up of the community's economic, environmental and social base.**

<u>Key Element</u>	<u>Considerations</u>
Natural Resources	<ul style="list-style-type: none"> <li>• Forest, fish, wildlife, minerals, land and water areas inherited by the community</li> <li>• Unique and outstanding features</li> </ul>
Locational Characteristics and Features	<ul style="list-style-type: none"> <li>• Proximity to major industrial communities, key goods and services, tourist markets, and significant transportation linkages</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Major roads and highways, energy distribution and supply, ports and harbours, airports and heliports, rail and rail access, water sewerage and treatment, waste handling, bus and truck terminal and telecommunication facilities</li> </ul>
Labour Pool	<ul style="list-style-type: none"> <li>• Socio-economic characteristics including, distribution, availability, skill mix, educational proficiency, training and projected growth</li> </ul>
Health and Social Services	<ul style="list-style-type: none"> <li>• Quality and quantity of health treatment and social care facilities, range of specialization and capacity</li> </ul>
Cultural Services	<ul style="list-style-type: none"> <li>• Opportunities to participate and enjoy a variety of art forms</li> <li>• The range of museums, galleries and unique cultural attractions and their linkage to tourism</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• The performance of key attractions and market share of tourism expenditures</li> </ul>
Resource Processing	<ul style="list-style-type: none"> <li>• Type, quantity and markets for agriculture, mining, forestry and fishing products</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• The mix that exists within the community and the potential for supporting growth</li> </ul>
Industry	<ul style="list-style-type: none"> <li>• The mix of manufacturing, service and construction firms segmented by business activity and standard industrial classification (SIC) code</li> <li>• Contribution to the local economy, unique linkages and business relationships</li> <li>• Level of impact on the environment</li> </ul>
Commercial	<ul style="list-style-type: none"> <li>• The full range of services available and their ability to capture disposable income from the primary and secondary trading areas</li> </ul>
Local Government	<ul style="list-style-type: none"> <li>• Estimate the level of discretionary spending over the next ten years for infrastructure, research, training and development and marketing and sales</li> </ul>
Non-Local Government; Institutions and NGOs (non-government organizations)	<ul style="list-style-type: none"> <li>• Extent and level of activity in the community, implications for the tax, services and employment bases</li> </ul>

The key is to develop a systematic and comprehensive understanding of economic, environmental and social activity.

### Understanding the Distribution and Diversity of Economic Activity

Analyses	Considerations
Clustering of Economic Activity	<ul style="list-style-type: none"> <li>• Business services, public sector activities or manufacturing firms related by strong business linkages in terms of markets, product and process technology and research and development (R&amp;D)</li> <li>• Dependence on one or two firms within a sector, though an important characteristic, suggests a lack of diversity and should not be confused with clustering</li> </ul>
Size and Type of Organizations	<ul style="list-style-type: none"> <li>• Size as defined by the number of employees</li> <li>• Both private sector firms as well as public institutions, government and NGOs should be analyzed</li> <li>• The importance of small size organizations should not be underestimated, since they contribute the bulk of new jobs in any five to ten-year period</li> <li>• Relying solely on SIC codes can lead to an incomplete picture</li> <li>• Firms that share an SIC code may not necessarily be driven by the same competitive factors</li> <li>• Classifying firms in terms of mature, high growth, emerging, low wage or resource-based and analyzing their impact on employment</li> <li>• Such a business-focused analysis will provide an in-depth understanding of the issues facing firms in each business segment</li> </ul>
Capacity to create wealth	<ul style="list-style-type: none"> <li>• Identify for each firm the contribution which local and export markets make to sales</li> <li>• The greater the proportion of sales to export markets both directly and indirectly, the stronger the wealth creation capacity of the community</li> </ul>
Environmental Risk	<ul style="list-style-type: none"> <li>• Assess the potential impact of stricter environmental regulations on key employers</li> <li>• Identify firms at risk and analyze their contribution to employment</li> </ul>

### Competitiveness must be evaluated relative to other communities.

- One method of evaluation is based on the value of service per tax dollar ("Canada's Best-Run Cities", Financial Times, November 7, 1992).
  - various taxes and payments for municipal services are compared with the benefits received by residents
  - also considered is the effectiveness of the delivery of local government services
- This analysis is carried out both on an absolute dollar basis and where appropriate, on a per capita basis.
  - for example, comparing the total and per capita cost of policing with the crime rate or examining the cost and effectiveness of the public transport system
- Since the evaluations are relative, the community has to be compared with others. Four types of comparisons are recommended:
  - in relation to the leading communities in Canada, displaying similar size and attributes
  - in relation to the leading communities in Ontario, displaying similar size and attributes
  - with competing communities in its vicinity
  - with competing communities located in the same region, county or metropolitan area
- The second method of evaluating the community's relative competitiveness is to poll its market.

#### Market Constituents

• residents	• farmers, farm workers and union representatives
• industrial plant owners, workers and union representatives	• wood lot owners, managers
• commercial business owners, managers, workers and union representatives	• forestry company owners, managers and workers and their union representatives
• visitors/tourists	• mining company owners, managers and union representatives
• non-local government and NGO managers, workers and union representatives	• commercial fishing company owners, managers and union representatives
• institution leaders and workers	

- The polling should be done professionally so that the right kind of questions, method of sampling and sample size are considered.



Trend analysis involves four key steps.

**Step 1: Identify key trends with a potential to effect the community's economy.**

- These existing and future trends can originate from:

<ul style="list-style-type: none"> <li>- within the community itself</li> <li>- neighbouring communities</li> <li>- within the same region</li> <li>- other communities both in and outside of the Province</li> </ul>	<ul style="list-style-type: none"> <li>- nationally</li> <li>- in certain other countries</li> <li>- globally</li> </ul>
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**Step 2: Analyze the impact of these trends on the life of the community.**

- Existing or potential impacts on the community's:

<ul style="list-style-type: none"> <li>- natural resources</li> <li>- locational features and characteristics</li> <li>- infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>- labour pool</li> <li>- support services</li> </ul>
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- Existing or potential impacts on its customer base in the following sectors:

<ul style="list-style-type: none"> <li>- residential</li> <li>- commercial</li> <li>- industrial</li> <li>- non-local government, NGOs</li> <li>- cultural and non-cultural institutions</li> </ul>	<ul style="list-style-type: none"> <li>- tourist/visitor</li> <li>- agricultural</li> <li>- mining</li> <li>- forestry</li> <li>- commercial fishing</li> </ul>
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**Step 3: Synthesize the key trends that clarify the existing economic, social and environmental development climate to set the stage for identifying issues.**

- A trend is considered to be a significant change in an economic, environmental or social characteristic prevalent within the community.

**Step 4: Evaluate and analyze the changes that have occurred in the make-up of the community.**

- This could include changes in the number of:

- individuals and families residing in the community	- visitors/tourists
- commercial firms (employees and head offices, if local)	- working farms (and farmworkers)
- industrial firms (employees and head offices, if local)	- mining firms (employees and head offices, if local)
- non-local government departments, non-government organizations	- forest firms and wood lot owners (employees and head offices, if local)
- cultural and non-cultural institutions	- commercial fishing operations (employees and head offices, if local)

- The reasons for these changes could include:

- new arrivals - start-ups - expansions	- reductions - closures - departures
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Both internal and external trends can have a significant influence on the community.

- These trends must be evaluated in light of their potential to impact on the key elements of the community.
  - this analysis cannot be carried out in the abstract, but each trend must be related to an existing social, economic or environmental activity

A trend represents a significant change in factors such as:

<ul style="list-style-type: none"> <li>- residential real estate transactions or prices</li> <li>- available serviced industrial land</li> <li>- available executive residences, retirement homes capacity (of a certain comprehensiveness of service)</li> <li>- road traffic on a main artery</li> <li>- skilled numerical control machine operators/programmers</li> <li>- training services</li> <li>- garbage dump capacity</li> <li>- crime rate</li> <li>- availability of drugs</li> <li>- range of cultural activities</li> <li>- market access for a locally manufactured product</li> <li>- wages/productivity relationship</li> <li>- availability of hotel rooms</li> <li>- prison/mental health facility locations</li> </ul>	<ul style="list-style-type: none"> <li>- visits by non-residents to the community</li> <li>- province-wide market access for local farmers</li> <li>- mining environment regulations</li> <li>- insect damage to local forests</li> <li>- property taxes</li> <li>- electric power costs</li> <li>- labour union legislation</li> <li>- health care costs</li> <li>- population growth</li> <li>- labour force growth and composition</li> <li>- the importance of certain industry sectors</li> <li>- the way work is done in factories and in offices</li> <li>- the aging of community</li> <li>- bridges/roads/fair grounds</li> <li>- government decentralization, centralization and amalgamation</li> <li>- the role of the Province and the region in economic, social and environmental development</li> </ul>
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Note : The preceding is but a sample of the trends that must be identified, understood and evaluated to determine their importance to the economic, social and environmental development of the community.

Developing a vision of tomorrow depends on a thorough understanding of the present.

- A community's vision of itself today is based on a thorough understanding of its strengths, weaknesses, opportunities and threats (SWOT).
  - each sector, feature or trend could give rise to an important issue regarding the community's well-being
  - the sector analysis must focus on identifying the key issues
  - each issue must be categorized as either a strength, weakness, opportunity or threat
  - within each of these four categories the issues must be ranked according to their importance and priority to the community



- ranking must be mindful of the resources within the community to deal effectively with each of the issues
- Such an analysis will provide a solid foundation for the community to develop a vision of itself today.
  - it should describe itself, simply and clearly, in terms that best characterize its current situation
  - it should identify the most important positive and negative features, trends and issues

### **4.3 Game Plan**

The **Game Plan** positions the community to enhance its well-being. The strategic direction or Game Plan selected by a community is defined by its vision, mission statement and preferred portfolio of goal, objective and strategy sets. No community is impervious to what is happening in the world. The community's hopes and aspirations are the basis of its vision of tomorrow. The mission statement reflects the community's purpose. Goals specify the end points of a community's purpose. Goals are needed for all areas on which the success of the community depends.

Objectives are the intermediate, quantitative performance targets. Strategies are coherent statements describing the concept of how the community will compete to attain its goals and objectives. Developing a preferred goal/objective/strategy set can involve a 12-step procedure.

Setting the proper goals and objectives involves prejudging the potential success of the selected strategies. The fundamental role of the strategy is to induce others to do what the community wishes. The difficult part of constructing a strategy is developing the concept.

**The strategic direction or Game Plan selected by a community is defined by its vision, mission statement and preferred portfolio of goal, objective and strategy sets.**

- The community's strategic direction is selected to enhance its well-being. This strategic direction must recognize the community's real resource and capability constraints.
- Central to the concept of community development at the strategic level is the notion that communities are in constant competition for investment. All types of investment decisions consider the net relative advantages of a community.

- for example, where to live, invest, start-up, expand, downsize, visit or retire take into account the advantages and disadvantages of various communities
- locational advantages and disadvantages are constantly changing as conditions change both inside and outside the community
- A community competes by offering superior "products" and "services" to its residents, visitors and workers.
  - these can range from easy access to a major market, modestly priced housing to excellent sport fishing
  - for some, the key attraction is one "product" or "service" while for others it may be a portfolio of "products" and "services"
- No community, however, can achieve success in all areas.
  - each is forced to compete for its development base with limited resources
  - clear priorities must be given to building on the community's strengths
  - at the same time, weaknesses can be overcome in order to pursue new opportunities

#### **No community is impervious to what is happening in the world.**

- A community reflects what is happening to its employers, workers and residents as they are affected by the winds of change from both inside and outside the community.
  - communities are not independent islands with the means to maintain their development base
- A community's purpose identifies exactly what it intends to do and accomplish in both the short and long term.
  - the vision describes the community's hopes and aspirations for the future, what it would like to be some day
  - the mission statement delineates its service commitment to residents, workers, employers, visitors, adjacent communities and upper-tier levels of government
  - goals and objectives serve to indicate priorities and commitments to expected results
  - strategies conceptually address how the desired results are to be accomplished

- The community's preferred goal/objective/strategy sets must be complementary and reinforcing.
  - there are no goals and objectives without strategies and there are no strategies without goals and objectives
  - though quite distinct elements, they go together hand in glove

**The community's hopes and aspirations are the basis of its vision of tomorrow.**

- It is not always easy for a community to articulate what it wants to be.
  - a rapidly changing environment makes it even more difficult to set hopes and aspirations on a solid foundation
  - a no-holds-barred brainstorming exercise may be useful, but often this can lead to an unrealistic vision for the future
  - a community needs to develop a vision that has a foothold in reality
- Hopes and aspirations are generally derived from a community's values.
  - often the vision is achieved by a community reacting to what it is
  - upon examination, communities may or may not like the view that they or others have of themselves
  - this may either require a change or in some cases a strengthening of identity
- Hopes and aspirations must reflect all aspects of community life.
  - it is important to recognize the various components that contribute to the community's well-being
- Determining hopes and aspirations relies on consensus that builds on a broadly shared understanding of the community's current status.
  - where we are now is the basis for establishing where we want to be in the future
  - broad-based community participation/involvement is essential to achieve the vision

**The mission statement reflects the community's purpose.**

- A clear definition of purpose is mandatory for designing a sharply focused, results-oriented strategic plan.
- Purpose can be defined as holding onto or attracting employers, residents, workers, tourists or encouraging local initiatives to enhance the community's well-being.



- the concept of purpose is dynamic and not static
- The mission statement specifies in concrete and operational terms, not platitudes, the community's concept of itself and its service commitment to its market.
  - often a mission statement is so broad that it is of little use in guiding action
  - it should evolve out of the community's vision for the future
  - it defines exactly what activities the community performs or intends to perform and the kind of community it is or intends to be
  - it delineates the nature of the "businesses" in which the community intends to engage
- "Businesses" can be defined as those activities that make it a home, a workplace, a place to invest or all three.
  - investment sources can include for example, a non-resident employer, non-local government, a cultural organization, an advocacy group or a university
- A well conceived mission statement is unlikely to remain relevant for more than a decade.
  - communities will find it desirable to modify or fine tune their purposes from time to time

#### Goals specify the end points of a community's purpose.

- Goals are the results which a community seeks and depends on for its survival over the long run.
  - they should not be viewed as a straight-jacket
  - they should and must undergo revision to meet changing circumstances
- Goals serve as guideposts for translating concepts into direction.
  - they bridge the gap between hopes, aspirations and purpose, as described in the vision and mission statement, and workable reality
  - for example, a goal may be to overcome a relative weakness in community support services in order to diversify the development base

- Goals are concrete commitments by which the community's purpose is to be achieved.
  - they become the basis for setting specific targets or objectives against which performance can be measured
  - they are selective as opposed to all-encompassing
  - they guide the community's concentration of resources and efforts towards the desired ends

**Goals are needed for all areas on which the success of the community depends.**

- In establishing goals, a community should avoid conflicts or trade-offs
  - goals which are ambiguous or which involve compromise with another are not very helpful to the community
- A community may wish to have goals relating to:

<ul style="list-style-type: none"> <li>- future growth</li> <li>- its overall size</li> <li>- its degree of diversity</li> <li>- the pursuit of selected "markets" with certain "products"</li> </ul>	<ul style="list-style-type: none"> <li>- the efficiency of economic development support operations</li> <li>- the development of the skills of its labour pool</li> <li>- social and environmental responsibilities</li> <li>- revenues and taxation</li> </ul>
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- Even if the community in its wisdom decided to focus its resources on some sectors and not others, this should be stated explicitly in the strategic plan.

**The objectives are the intermediate, quantitative performance targets.**

- The community seeks to attain these targets in moving towards its goals.
  - while goals are more broadly-based and non-quantified, objectives are specific in nature and magnitude
  - they establish a numerical target
- Objectives serve to indicate the speed and momentum which the community seeks to maintain in accomplishing its purpose and goals.
  - they direct the attention of both the community leadership and the implementers of the Action Plan towards what is expected of them in the near term

- they can be used as rallying points for coordinating the activities of project teams planning the implementation of the Action Plan
- they can act as a basis for establishing a common purpose in the diverse tasks that make up the Action Plan
- Acceptance of goals and objectives by the community leadership and project team members promotes team work and a united approach to achieving the community's purpose.
  - quantitative objectives can serve as criteria for measuring and evaluating the effectiveness and efficiency of the community's implementation efforts

**Strategies are coherent statements describing the concept of how the community will compete to attain its goals and objectives.**

- They describe how the community intends to leverage its comparative strengths to successfully take advantage of opportunities in competition with other communities.
  - comparative advantages focus on aspects of the community that are considered to be strengths
  - in almost every case, there will be several options for achieving specific goals and objectives
  - the role of a strategy is to develop a conceptual approach for better meeting a community need, taking into account fiscal, political or other constraints
- They indicate the approach a community plans to use to get where it wants to go.
  - while they lay out the community's conceptual blueprint for action, the step-by-step plan for carrying out the detailed tasks is left to the Action Plan
- They reflect how the community seeks to accomplish its goals and objectives over both the short and long term.
  - strategy leverages community strength against a competitor weakness, relative to a particular opportunity or threat
  - the focus is always on a specific opportunity that can be exploited by utilizing strengths and avoiding weaknesses
  - over time weaknesses can be overcome and used to reinforce existing strengths, making a community that much more competitive
  - involves developing strengths to ensure the community's long-term ability to compete for other opportunities



- any approach that creates a conflict between objectives, capabilities and resources should be rejected
- Attempting the impossible is not good strategy; it is just a waste of resources.
- As Kenichi Ohmae has said, "Strategy is not just beating the competition; it is serving the real needs of your customers".
- preoccupation with competitors (other communities) while vital, must not be allowed to obscure the real purpose of the strategy, which is to create value for your customers (the residents, investors, workers, visitors)

Developing a preferred goal/objective/strategy set can involve a 12-step procedure.

### Procedure for Strategy Development

1.	Start with a sector as it is now.
2.	Forecast what will happen to the environment in general over a reasonable number of years for the community and its competitors.
3.	Predict what the sector's performance will be over this period, if the community continues to treat this sector in the same way.
4.	If this is satisfactory, then leave well enough alone; if it is not, then continue to the next step.
5.	Make an appraisal of the significant strengths and weaknesses of the community versus those of its competitors.
6.	Evaluate the differences between the community's goal/objective/strategy set and related Action Plan activities.
7.	Attempt to conceive some variation in the strategy and related Action Plan activities which would improve the community's competitive position in the future.
8.	Evaluate the proposed alternative goal/objective/strategy set in terms of possible risks, competitive response and potential cost/benefit. Do the evaluation from the point of view of the minimum acceptable performance to the community.
9.	If this is satisfactory, then stop strategy development and concentrate on firming up the changes to the Action Plan.
10.	If a satisfactory result is not found, then broaden the "product line" under consideration and repeat the cycle above. Ordinarily this means looking at other products which the community can supply to a market sector which is well understood. Sometimes it means offering new products to a different segment of the market. Occasionally it can mean offering new products in new markets simultaneously.
11.	This process continues until either the knowledge of the new "product - market" combination is too inadequate or the cost of studying this new area becomes too expensive or the prospects of finding a competitive opportunity are too remote.
12.	In this event lower performance expectations.

**Setting the proper goals and objectives involves prejudging the potential success of the selected strategies.**

- Yet the strategies cannot be determined until the goals and objectives are known.
  - developing a strategy, therefore, is an iterative process requiring judgment as well as technique
- Market segmentation can be an important technique for speeding up the process of strategy development.
  - it is based on the notion that a market can be viewed in many different ways
  - each time the community's "product-market" pairing is varied, the relative competitive strengths are also varied
  - a key element is choosing the competitor community, as well as the market segment, regardless of whether the focus is on retention or attraction
- Market strategies are all based upon market segmentation and concentration of resources.
  - market segmentation implicitly means identifying competing communities and their resources relative to one's own for each product-market pairing
  - successful market strategies in effect segment the particular market in a way that maximizes the application of the community's strengths whilst minimizing those of its competitors
  - most dramatically successful community strategies are based on market segmentation and concentration of resources in that segment

**The fundamental role of the strategy is to induce others to do what the community wishes.**

- The level of competition determines market share, prices, costs and benefits.
  - if competitors invest much more rapidly than a particular market grows, none of the competing communities stand to gain
  - if on the other hand competing communities can be persuaded to avoid investing in a given sector, then there is no limit on the market share or price level a community can achieve

- Competing communities must be persuaded to stop short of a fruitless effort to acquire "customers" unprofitably.
  - persuasive arguments must be developed, combining analysis and deduction with emotional and intuitive factors
  - such an approach can lead to cooperation between communities
- A strategy, once chosen, cannot be changed very often; for by definition, it is the irretrievable commitment of resources.

**The difficult part of constructing a strategy is developing the concept.**

- This requires the community to choose a course, one which would not be effective for its competitors.
  - such a course would have more favourable consequences for the community than for its competitors
- Successful strategies are based on a community's ability to differentiate itself from its competitors.
  - developing a strategy involves conceiving ways to emphasize the value of the differences between a community and its competitors
- Formulating a strategy emphasizes the ability to conceptualize, analyze and judge what is entrepreneurially effective.
- Ultimately, the preferred goal/objective/strategy sets chosen by the community must address the priority issues (SWOT) identified in the Situation Audit.
- These preferred sets:
  - recognize the community's competitive advantages (strengths) and disadvantages (weaknesses)
  - consider the finite resources available to the community to invest today for a better tomorrow
  - are in line with the community's vision and mission
  - are mindful of the opportunities and threats facing the community



#### **4.4 Action Plan**

The **Action Plan** describes how the activities necessary to realize the community's goals and objectives will be carried out and managed. An Action Plan contains a description of the specific tasks and activities required to implement each strategy.

Carrying out an Action Plan depends on the ability to motivate and work with others. All of the recommended activities must be within the means of the community and each must contribute to the achievement of its quantitative objectives. The implementation of the Action Plan involves the community working together. There are five key aspects to implementing an Action Plan.

**An Action Plan contains a description of the specific tasks and activities necessary to implement each strategy.**

##### **The Essentials of an Action Plan**

- It addresses how the strategic path will be travelled in practice on daily basis.
- Deals with the organizational procedures and methods of carrying out the plan.
- Sets out the organizational practices, structure and staffing requirements for carrying out the Action Plan.
- Describes the nature, scope and timing of the community's activities for realizing each chosen goal, objective and strategy set.
- Describes the resources, people and money, required to carry out the tasks and activities prescribed in the plan.
- Identifies staffing and funding sources.
- Describes the project management system that will be used to assign tasks, monitor effectiveness and, where appropriate, take corrective action.
- Contains the results of a cost-benefit analysis that confirms the validity of each goal/objective /strategy set

**Carrying out the Action Plan depends on the ability to motivate and work with others.**

- The tasks and activities required to turn the selected "Game Plan" into reality, will take a lot more time and energy than the work associated with formulating the Game Plan.
- It will require people skills and the ability to create internal change
- An Action Plan outlines how, on a day-to-day basis, accountable individuals will undertake activities to achieve the community's goals and objectives following the chosen strategies.
- Organization charts showing the reporting relationships between various participants significantly improve the usefulness of the Action Plan.
  - defines the reporting between task leaders, the Action Plan project manager, local government department heads, community associations, volunteers and local council, and regional or county government
  - describes each player's role and accountability, from task leader to mayor

**All of the recommended activities must be within the means of the community and each must contribute to the chosen quantitative objectives.**

- The budget must include an appropriate allowance for managing the implementation of the Action Plan.
  - cost estimates must include salaries and expenses as a function of time, for each activity associated with each goal/objective/strategy set
  - including not only the direct costs and the project management costs that will be incurred in overseeing the Action Plan activities but as well the indirect administrative effort
  - each task must be staffed on paper with individuals with the requisite skill level
- The cost-benefit analysis summarizes the community's estimates of the benefits that will accrue as a result of carrying out the Action Plan.
  - estimates are prepared by month and by year for the time span of the Action Plan
- The benefits resulting from a community's investment of resources may only become apparent in the longer term, well after the Action Plan has been implemented.

- The cost is the sum total of the community's discretionary spending today for a better tomorrow.
  - investment in bricks and mortar, research, training and development, marketing and sales

**The implementation of the Action Plan involves the community working together.**

- At times, the economic development department will be designated by council and the chief administrative officer as the lead organizational unit.
  - it will be responsible for monitoring the implementation of the community's economic development Action Plan.
  - this group, if adequately staffed, is equivalent to a company's corporate planning department
  - it will analyze the effectiveness and monitor the validity of the strategic plan
  - as part of the implementation phase, it will continue to operate as the community's marketing and sales arm, having specific responsibility for part of the Action Plan
- However, every department of local government, every community association and every group of volunteers has an important role in carrying out the Action Plan.
- Each group and individual must ask:
  - what is required of them to help the community develop its Action Plan?
  - what is required of them to implement their part of the Action Plan?
  - how best can they get it done?
- It is easy to get bogged down in tracking the ins and outs of each and every one of the administrative requirements that can flow from a comprehensive Action Plan.
  - implementing the Action Plan has a major administrative component
  - it therefore affects the whole hierarchy of local government and that of the volunteer groups linked to it



**There are five key aspects to implementing an Action Plan.**

- Council and the Chief Administrator are responsible for making sure that the Action Plan is properly prepared and implemented.
  - build an organization in the planning phase capable of carrying out the Action Plan, if one does not already exist
  - allocate enough time, staff and money to get the job done
  - focus the energy of the organization on the goals and objectives of the Action Plan
  - monitor progress of the Action Plan activities, adjust the plan if necessary and keep the organization on course
  - take steps as required to improve how the Action Plan is being carried out
- While local government may not always be the driver of the strategic planning process, their support and involvement is pivotal to its success.
  - regardless of who initiates the process, local government must be a partner to facilitate its implementation
  - local government has access to resources — people and money — to make the plan happen

#### **4.5 Monitoring Program**

The **Monitoring Program** prepares the community to anticipate and deal with change. An effective monitoring program keeps the strategic plan relevant. The strategic plan review component of the monitoring program is a very demanding and time- consuming task.

**An effective Monitoring Program keeps the strategic plan relevant.**

- The community must track, on an ongoing basis, the validity of the assumptions in the plan.
  - need to check the relevance, not only of the plan parts, but of the plan as a whole

- Time and circumstance can change the social, environmental and economic outlook of a community.
  - the environment and the competition are constantly evolving
  - changes can prompt a modification or a change to the Game Plan and Action Plan
  - failing to change course may lead to missed opportunities or implementing a strategy that is no longer effective
  - therefore, maintaining consistency within the various components of the Game Plan and Action Plan is a continuous task by way of keeping the Situation Audit current
- Few communities question their strategic plan when everything is going well.
  - success is often sufficient justification for continuation of policies, practices and activities
  - there appears to be no need for a strategic plan review
- When a community is in difficulty, there is no time for a review of its strategic plan.
  - near-term problems are given the highest priority and the emphasis is on doing much more for much less
  - the cost and effort associated with a strategic plan review is often viewed as an unwarranted luxury

The strategic plan review component of the Monitoring Program is a very demanding and time-consuming task.

- The key is to know when and how it should be done.
  - it requires a reassessment of all underlying assumptions and the reconstruction and evaluation of all interlocking relationships
  - it is an iterative process, a sequence of data collection and analysis, strategy assumption validation and, if need be, strategy reformulation
  - the critical underlying assumptions must receive adequate attention to appreciate their far-reaching significance
- The result is a gradual evolution and upgrading of the strategic plan.
- An effective strategic plan review will provide answers to the following questions:
  - should we change our priorities in allocating our resources in money and effort within the framework of the current strategic plan?
  - if so, how does it affect our current Action Plan?
  - have conditions changed so much, as reflected in the updated Situation Audit, that we should consider developing a new Game Plan? Action Plan?

#### **4.6 Community Participation**

Strategic planning at the community level means **Community Participation**. The community plays a key role in the development of all the elements of a strategic plan. The Community Participation Program must address both preparation and implementation of the strategic plan.

**The community plays a key role in the development of all the elements of a strategic plan.**

- Increasingly communities are being called upon to take responsibility for their social, environmental and economic futures.
  - many are having to make choices, develop strategies and irretrievably commit resources today, to influence their well-being tomorrow
  - since all members of the community have a stake in the decision-making process, all must be offered and encouraged to take a role
- An effective participation and involvement program must begin by building capacity in the community.
  - people must be sensitized to the importance of the process to the community's development
  - people must be educated and given some understanding of the process, its elements and its purpose
  - on the basis of this initial understanding, people can decide whether or not they want to play a role in the process
  - ultimately, this will determine the resources which the community can draw on locally to develop and implement the plan
- Every citizen, group, association and local government department must be given the opportunity of contributing to the strategic planning process.
  - this includes the views of residents, investors, workers, employers, special interest groups and local associations
  - key opinion leaders must be identified and their views sought in a proactive manner if necessary
  - the non-traditional interests, typically not part of the mainstream, must be identified and brought into the process



**The Community Participation Program must address both preparation and implementation of the strategic plan.**

- The program must be designed to engage as full a range of interests as possible.
  - a variety of mechanisms such as workshops, discussion groups and block or association gatherings may be used to obtain the full range of interests
  - a highly proactive effort is mandatory
- The program must encourage community participation/involvement in all aspects of the strategic planning process.
- The program cannot be superficial; it must allow for serious commitment and address the following questions:
  - how will the community will be involved, sensitized and given the capacity to contribute to the strategic planning process?
  - what roles and responsibilities will be given to which participants regarding data collection and analyses, identifying and prioritizing the issues, developing the vision, creating alternative goal/objective/strategy sets, selecting the preferred sets, developing the activities to implement the preferred sets and carrying out the activities?
  - how will consensus be built around the community's vision of itself today?
  - how will ideas be communicated to the community and how will feedback be handled?
  - who will play a role in monitoring and what will be the distribution of roles and responsibilities?
- Ultimately, the Community Participation Program must address the issue of accountability.
  - for individuals participating in the process, their roles and responsibilities must be identified.



## Conclusions and Recommendations

### Conclusions

- Bring community participation/involvement up front and sensitize the whole community to the task of strategic planning.
- "Preparing a Plan for Planning" encourages the community to consider and evaluate the resources it has for strategic planning.
- Keep the Situation Audit, Game Plan and Action Plan separate; achieve closure around each topic and eliminate spillover.
- Obtain commitments and assign responsibilities to a dedicated team early on in the process.
- The Situation Audit , if thoroughly completed, provides a solid foundation and the insights needed to prepare the Game Plan.
- Use the Situation Audit to build consensus in a community around key issues, their SWOT categories and their relative importance to the community.
- The analyses undertaken as part of the Situation Audit will help the community establish a vision of itself today, thereby laying the groundwork for building a vision of itself in the future.
- A community's goals and objectives are inexorably linked to the vision of itself in the future and the issues it faces.
- Objectives must be measurable in order to gauge the effectiveness of the strategies.
- Strategies are not to be confused with Action Plan activities; strategies deal with concepts of how the community should proceed to attain its goals and objectives.
- The formation of alliances and partnerships amongst communities are based on leveraging reinforcing strengths.
- Alternative goal/objective/strategy sets must be considered before the preferred sets can be determined.
- The Action Plan must clearly assign roles and responsibilities, determine the schedules and resources for each activity and ensure, through a cost-benefit analysis, that the return outweighs the cost of implementation.



- The Monitoring Program tracks the relevance of assumptions through the Situation Audit, Game Plan, Action Plan and the relevance of the strategic plan as a whole.
- The Monitoring Program recognizes that each component is linked, signals the need for either modest changes to the strategic plan or for a new plan and ultimately helps weave the process of strategic planning into the fabric of the community.
- Community Participation is crucial not only in the formulation phase, but in implementation as well.
- Success is based on a broad community effort and on community commitment and ownership.

### Recommendations

The Premier's Council should consider:

- inviting Government ministries concerned with strategic planning at the community level to review and comment on the draft guidelines;
- inviting (in conjunction with the ministries) community associations and educational institutions involved in strategic planning to review and comment on the draft guidelines;
- sponsoring a series of workshops to help introduce the new guidelines to government ministries, community associations and educational institutions involved in strategic planning;
- assisting government ministries and community associations to make the final guidelines widely available at the community level; and
- examining the application of the guidelines in a test case exercise, to provide communities and strategic planning practitioners with insights regarding how best to utilize the guidelines, and suggest modifications to enhance their effectiveness.

## **Appendix**

### **An Analysis of Community Strategic Plans**

The Task Force on Investment in Ontario of the Premier's Council on Economic Renewal is examining the effective role of communities in investment retention and attraction.

- They have assumed that the concentration of activity in terms of applied resources occurs at the community level.
- Communities, therefore, are assumed to have well-developed strategies for investment retention and attraction.
- Insights can be gained regarding the level of strategic planning across Ontario by examining community strategic plans in detail.

**This assignment, therefore, has three main objectives...**

1. Prepare criteria that will facilitate an analysis of these plans.
2. Evaluate the plans according to the criteria and synthesize the results.
3. Develop guidelines to assist communities in preparing strategic plans in the future.

**.. and it was carried out in four phases.**

Phase 1.	Developing the analytical framework.	- based on the consultant's experience and a review of the strategic planning literature, criteria were prepared to facilitate the evaluation of the documents
Phase 2.	Preparing the case studies	- strategic planning documents from four communities were examined in detail - the criteria provided arigourously applied version of the guidelines, which served as the key for analyzing the remaining documents
Phase 3.	Carrying out the field investigations	- meetings were held with those responsible for preparing the documents evaluated in detail - confirmed initial findings and provided insights regarding the planning process and the makeup of the documents
Phase 4.	Analyzing the documents	- documents were classified into six categories - criteria were refined and applied to those documents considered to be strategic plans - the objective was to identify departures from the findings of the case studies



Developing the analytical framework combined a review of some of the key references in strategic planning with a preliminary examination of the strategic plan documents.

- Considered some of the key literature and leading thinking regarding strategic planning.
  - references are included to indicate those which were most useful
- Examined a number of guidelines prepared to assist communities to develop strategic plans.
  - Approach to Local Strategic Planning, the Ministry of Municipal Affairs (MMA)
  - Views on Strategic Planning at the Municipal Level, the Sewell Commission
  - Fact Sheet on Strategic Planning, the Ontario Ministry of Agriculture and Food (OMAF)
  - Economic Development Strategic Plan Guide for Municipalities in Eastern Ontario, MITT, now MEDT
  - "How to Prepare an Economic Development Strategy", The Federation of Canadian Municipalities.
  - "Strategic Economic Planning and Local Development", the University of Waterloo
  - "Strategic Planning for Economic Development", the American Economic Development Council
- Conducted a preliminary review of collected submissions.
  - this provided initial insights into the nature of the documents received by the Premier's Council
- Developed rigorous criteria defining the make-up of a strategic plan.

Case studies were based on a rigorous application of the evaluation criteria.

### Guide for Evaluating Strategic Plans

1.	Does the plan document contain the Situation Audit?
2.	Does it contain the Game Plan?
3.	Does it contain the Action Plan?
4.	Does it contain the Monitoring Program?
5.	Does it contain the record of the Planning Process? The Participants?
6.	Does the Situation Audit address the active sectors of the community?
7.	For the active sectors, does the Situation Audit address the sector features, trends, developments and advantage relative to other competing communities?
8.	Does the Situation Audit explicitly list all important community issues?
9.	Are the issues categorized as either strengths, weakness, opportunities or threats?
10.	Are the strengths, weaknesses, opportunities and threats ranked in order of importance?
11.	Does the community have a clear vision of itself today? A good grasp of its economic development history to date?
12.	Does the Game Plan contain the community's Vision of itself in the future? Its Mission Statement?
13.	Does the Game Plan have preferred Goal/Objective/Strategy sets consistent with its Vision and with the community's resources available for development?
14.	Are the Objectives measurable targets?
15.	Are the Strategies of a competitive and conceptual nature?
16.	Are alternate Goal/Objective/Strategy sets considered but rejected in favour of the preferred set listed in the plan document?
17.	Does the Game Plan recognize the community's relation with its neighbours in a Region? The Region itself? Other geographic neighbours? Other communities with like interests?
18.	Does the Action Plan describe the tasks and the activities required to implement the Game Plan?
19.	Does it contain a schedule of activities overtime?
20.	Does it contain the roster of staff (volunteer, elected official, consultant) required to carry out the Action Plan activities? A statement of their roles and responsibilities?
21.	Does the Action Plan contain the estimate of the cost of implementing the Action Plan? The estimate of the benefits that would result from its implementation?
22.	Does the Monitoring Program address the Situation Audit? The Game Plan? The Action Plan? The Plan as a whole?
23.	Is the Community Participation process (adopted for putting together the Strategic Plan) described?
24.	Was the community's external constituency consulted? Involved in preparing the Strategic Plan? In funding the activity?
25.	Was the community's internal constituency consulted? Actively involved in preparing the Strategic Plan? In funding the activity? In particular, was every community (local) government department actively involved?

While developing the analytical framework, the documents were classified into six categories.

Strategic Plan Type	Expected Characteristics
Corporate Strategic Plans	<ul style="list-style-type: none"> <li>• Evaluates the appropriateness of the current mix of services a municipality provides against its clients changing needs</li> <li>• Examines the effectiveness and efficiency of existing planning and management practices in the delivery of services</li> <li>• Emphasizes long-term impacts and priority setting, with little if any public involvement</li> </ul>
Community-Based Strategic Plans	<ul style="list-style-type: none"> <li>• Focuses on developing a long-term vision for the community</li> <li>• Establishes specific goals, objectives and a strategy to achieve the vision</li> <li>• Involves the community and builds partnerships between stakeholders and local government to expand the resource base of the community</li> </ul>
Economic Development Strategic Plans	<ul style="list-style-type: none"> <li>• A long-range plan for economic development</li> <li>• May or may not involve a broad public consultation effort</li> <li>• Economic development is defined narrowly</li> </ul>
Marketing Brochures and Statements of Intent	<ul style="list-style-type: none"> <li>• Promotional literature designed to sell potential investors on the community</li> <li>• Letters or reports prepared by the community, indicating an interest in preparing a strategic plan</li> </ul>
Planning Documents	<ul style="list-style-type: none"> <li>• Official plans, land-use plans and downtown revitalization studies</li> <li>• May or may not involve a broadly-based community consultation effort</li> <li>• Issues tend to be rather narrow</li> </ul>
Marketing and Sales Plans	<ul style="list-style-type: none"> <li>• May include a situation audit that is usually narrow in its coverage</li> <li>• Identifies a list of actions designed to promote investment in the community</li> </ul>



Those considered to be strategic plans were examined in terms of their performance, with respect to four key factors.

Key Factors	Evaluation Criteria
Packaging/Structure	<ul style="list-style-type: none"> <li>• Are the elements of the plan document structured in the sequence that one might expect to find in a strategic plan?</li> </ul>
Completeness/Coverage	<ul style="list-style-type: none"> <li>• Does the plan document contain the normally-expected elements of a strategic plan?</li> </ul>
Quality	<ul style="list-style-type: none"> <li>• Are the outcomes based on good data and sound analysis?</li> <li>• Is there evidence offered to support the conclusions?</li> <li>• Is there consistency and correlation between the elements of the plan?</li> <li>• Does the plan reflect a good understanding of strategic planning, the terminology and the process?</li> <li>• Is there correlation between the the plan objects, the path chosen to realize these objects, the resources available to the community and the way these resources will be applied in preparing the plan?</li> </ul>
Depth and Quality of Community Participation	<ul style="list-style-type: none"> <li>• Was the community's internal constituency consulted?</li> <li>• How broad and effective was the consultation process?</li> <li>• Was the community's external constituency consulted?</li> <li>• How broad and effective was the consultation process?</li> </ul>

The field investigations anchored the analysis in reality.

- The process of developing a strategic plan was discussed in detail with several communities.
- These discussions focused on three issues.
  - the completeness of the documents
  - the breadth of strategic thinking that had been undertaken within the community

- the level and extent of public participation and community involvement
- An additional area discussed was implementation.
  - the amount of resources the community is investing
  - any successes
- One objective was to identify those areas and activities in the process that were difficult to manage.
  - did the proponents have any insights regarding what worked and what didn't?

Almost 40 per cent of the responses came from communities in Eastern Ontario reflecting the influence of MEDT's Eastern Ontario Community Economic Development Program.

#### Summary Classification of Strategies by Region

Region	Number of Responses	Per cent of Total
Central Ontario East (COE)	11	13.9
South Western Ontario (SWO)	12	15.2
Central Ontario West (COW)	12	15.2
Northern Ontario (NO)	13	16.5
<i>Eastern Ontario (EO)</i>	31	39.2
Total	79	100.0

Based on an initial evaluation of the responses, more than 25 per cent could not be classified as strategic plans.

Summary Classification of Strategies by Type

Type	Number	Per cent of Total
<i>Planning Documents</i>	2	2.5
Corporate Strategic Plans	4	5.1
<i>Marketing and Sales Plans</i>	5	6.3
Community-Based Strategic Plans	9	11.4
<i>Marketing Brochures and Statements of Intent</i>	14	17.7
Economic Development Strategic Plans	45	57.0
<b>Total</b>	<b>79</b>	<b>100.0</b>

The evaluation of strategic planning guides provided some insights regarding the deficiencies found in the strategic plans.

- Six of the seven guides examined:
  - did not make a clear distinction between a **qualitative goal** and a **quantitative objective**
  - made use of the term **strategy** but **either**
  - avoided defining the term **or**
  - utilized a circular argument in which strategy was defined in terms of other terms which were previously defined **or**
  - equated strategy with strategic action or with tasks and activities
- A seventh guide did not mention the terms strategy, goal and objective.



The evaluation of the strategic plans identified the key components absent from a majority of the documents.

### Situation Audit

- A discussion of important community sectors, for example, residential, institutional, non-local government, tourism.
- A discussion of important sector features, for example, labour, environment, social concerns.
- How global, national and regional trends were affecting local firms and organizations.
- A vision of the community as it is today, versus what they would like it to become at some point in the future.
- A summary list of issues ranked in order of importance to the community and classified as either strengths or weaknesses or opportunities or threats (SWOT).

### Game Plan

- A vision of the community at some point in the future.
- Measurable objectives (as distinct from qualitative goals).
- Conceptual strategies versus Action Plan tasks and activities.
- Consideration given to alliances/partnerships with neighbouring communities or Region.
- Alternate goal/objective/strategy sets considered but rejected.

### Action Plan

- The cost-benefit of implementing the strategic plan

### Monitoring Program

- The mechanics of how the Situation Audit, Game Plan and Action Plan would be monitored and adjusted during the implementation phase

### Community Participation

- A discussion of how communities participated (internal and external constituencies) and contributed in the
  - preparation phase of the strategic plan and would participate and contribute in the
  - implementation phase of the strategic plan

In one case, for example, some of the key sectors of the local economy were omitted from consideration...

### Coverage/Completeness: Overall Plan Document

#### Features/Trends/Issues

Sectors	Popula- tion Demogra- phy	Struc- ture	Land Resource	Location	Infra- Structure	Local Govern- ment	Labour	Environ- ment	Social Fabric
Residential	X	X	X	X	X	X			
Commercial	X	X	X	X	X	X			
Industrial	XX	X	X	X	X				
Non-Local Gov't./NGO*									
Institutional									
Visitor/Tourist									
Agriculture	X								
Mining	X								
Forestry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fishing (Commercial)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* Non-government organizations

N.A. = not applicable

...the Situation Audit failed to consider important local industry and the housing sub-sector...

### Coverage/Completeness: Situation Audit

Sectors	Population - Demography	Structure	Land Resources	Geography - Location	Infrastructure	Local Government
<b>Residential</b>	Inadequate; limited discussion of bedroom community role in the future	Inadequate; only executive housing discussed	Inadequate; no discussion of serviced or unserviced land available today and medium term	Adequate	Inadequate; no discussion of commuter rail operations	Inadequate, no discussion
<b>Commercial</b>	Inadequate	Inadequate; no discussion of finance, insurance and real estate service industries, limited discussion of transportation, communications and utilities, retail and other service industries	Inadequate; limited discussion of serviced and unserviced lands available today	Adequate	Adequate	Adequate
<b>Industrial</b>	Inadequate	Inadequate; no discussion of startups, construction industry and local growth industries including chemicals, textiles and measuring instruments; limited discussion of local wholesale and mfg. industries	Adequate	Adequate	Adequate	Adequate



...many issues identified in the Situation Audit had not been dealt with in the Game Plan...

**Game Plan Elements of the Plan Document**

Sectors	Examples of issues identified in the Situation Audit but not dealt with in the Game Plan
Residential	<ul style="list-style-type: none"> <li>• No Game Plan was offered to address the community's need for more executive homes.</li> <li>• This was considered to be a serious deficiency in the Situation Audit.               <ul style="list-style-type: none"> <li>- it was identified in a survey of business owners and operators.</li> </ul> </li> </ul>
Commercial	<ul style="list-style-type: none"> <li>• No Game Plan was offered to attract companies in the commercial services sector, a sector in which the community is inadequately served.</li> </ul>
Industrial	<ul style="list-style-type: none"> <li>• While the goal was the pursuit of small and medium sized firms in neighbouring communities outside the Region, no credible competitive strategy was offered for doing this.</li> <li>• No Game Plan was offered to address its declining competitive advantage in the area of realty and business taxes.</li> </ul>

... most of the Action Plan topics had little to do with the implementation of the Game Plan...

Action Plan Topic Headings	Marketing and Sales	Situation Audit	Game Plan
Local Business Calling Program	•	•	
Small Business Assistance Program	•	•	
Management Education Program	•	•	
Local Sourcing Program	•	•	
Sectoral Specialist Program		•	
Early Warning Program	•	•	
Closure Response Program	•	•	
Government Assistance Program	•	•	
Targeted Growth Sectors	•	•	
Develop Data Base		•	
Connect to MEDT Industrial Property System	•		
Develop a Direct Mail Campaign to Targeted Companies	•		
Media Scanning Program		•	
Promote Community to Economic Development Intermediaries	•		
Image/Identity Marketing Program	•		•
Signage Program	•		•
Retail Centre	•		•
Waterfront Development	•		•
New Community Development	•	•	•
Community Motto	•		•
Transportation Issues		•	
Role of Mayor's Office	•		
Mayor's Economic Development Futures Committee		•	
Land Use Issues		•	
Establishing a joint Board of Trade with another community	•	•	
Ongoing support activities	•		

... the document was poorly structured, making it difficult to follow...

### Packaging and Structure

## Chapter Numbers

[illegible]

... some of the key elements of a strategic plan were omitted, while others were dealt with in an inadequate manner...

### Summary of Findings

Key Components	Coverage (Completeness) Yes or No	Content
<b>Situation Audit</b>		
• Profile (data base) of active sectors	Yes	Inadequate
• Trends and developments of active sectors	Yes	Inadequate
• Competitive analysis	Yes	Inadequate
• Listing of major community issues	Yes	Inadequate (Mainly Implicit)
• Categorization of issues as SWOT	No	
• Ranking of issues	No	
• Community's understanding (view) of itself today	Yes	Adequate
<b>Game Plan</b>		
▪ Vision	Yes	Adequate
• Mission statement	Yes	Adequate
• Goals	Yes	Inadequate
• Objectives (measurable)	No	
• High level competitive strategies	Yes	Inadequate (only one)
• Alternative goal, objective, strategy sets considered and rejected in favour of the preferred set	No	
• Correlation of community's vision with that of Region, neighbours within Region and other communities	No	



Summary of Findings... cont'd.

Key Components	Coverage (Completeness) Yes or No	Content
<b>Action Plan</b>		
• Tasks and activities	Yes	Inadequate
• Schedule of activities	Yes	Inadequate
• Staffing	Yes	Inadequate
• Roles and responsibilities	No	
• Cost estimates (budget)	Yes	Inadequate
• Projected cost-benefit of implementation	No	
• Funding	No	
<b>Monitoring Program</b>		
▪ Situation Audit	Yes	Adequate
• Game Plan	Yes	Adequate
• Action Plan	Yes	Adequate
<b>Community Participation</b>		
• External constituency		
- Government	Yes	Adequate
- Business	Yes	Adequate
- Resident	Yes	Adequate
- Other (consultant)	Yes	Adequate
• Internal constituency - local government	Yes	Adequate
- Mayor and Council	Yes	Inadequate
- Staff	Yes	Inadequate
- Business	Yes	Inadequate
- Resident	No	
- Other		

**Other case studies offered additional insights regarding the issues associated with the development of community strategic plans.**

- All of the case study documents either lacked or addressed in an inadequate manner key elements of the strategic plan.
  - they all shared the following deficiencies:
  - no measurable objectives
  - no competitive strategies
  - no cost/benefit analyses of implementing the plan
  - inadequate situation audits
  - inadequate monitoring programs
- While some of the plan documents did have action plans and a description of the community participation process...
  - ... there was no detailed discussion of the community participation process nor any identification of the roles and responsibilities of the participants, either in the preparation or implementation of the plan
- The follow-up visits identified some the key issues that communities face when preparing a strategic plan.
  - for some, the current plan represented their first attempt and they plan to improve on this in the future
  - others do not include everything in their documents for fear of exposing their thinking
  - obtaining the full cooperation of local government staff is often a problem
  - support of local officials is mixed
  - level of community involvement and participation is also mixed
  - implementation of the strategic plans is difficult and there appears to be more enthusiasm for the planning phase.

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